FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 28,705 Saturday February 20 1982 ***30p

CONTINENTAL SELLING PRICES: AUSTRIA Sch. 15; BELGIUM Fr 30; DENMARK Kr 6.00; FRANCE Fr 5.00; GERMANY DM 2.0; ITALY L 1,900; NETHERLANDS Fl 2.25; NORWAY Kr 6.00; PORTUGAL Esc 50; SPAIN Pta 85; SWEDEN Kr 6.00; SWITZERLAND Fr 2.0; EIRE 42p; MALTA 30c

PERKS p.14 The extras some executives take for granted

CRICKET Choosing England's next captain p.13

SAVINGS BUILDING SOCIETIES Do you get a fair deal? p.6 Golden rules for investors p.5

TRAVEL p.7 Canada's great outdoors

POLITICS p.15 The SDP move into Thatcherland

NEWS SUMMARY

GENERAL

Unofficial strikes on rostering hit trains

Unofficial strikes by National Union of Railwaymen guards hit rail passengers yesterday, as Aslef train drivers' strikes on the same issue, flexible rostering, ended.

Guards' representatives angrily lobbied the union's London headquarters, which were for some time locked against them.

In a stormy meeting, general secretary Sid Weighell rejected their demand for a special executive meeting to reconsider the rostering deal. Page 4

Police curbs call

Shadow Home Secretary Roy Hattersley called for greater political control of the police, saying only 250 of 14,000 annual complaints led to prosecution.

Nigeria 'coup'

Nigerian newspapers said a coup plot had been foiled and a civilian and some soldiers charged with inciting soldiers to mutiny.

Lisbon unrest

Portugal's main trade union confederation met to discuss strike strategy after the Communist Party announced plans to increase labour unrest to bring down the Government.

Card campaign

Nato's Brussels headquarters has received over 53,000 Soviet postcards in an anti-nuclear arms race campaign launched by a Soviet newspaper.

Spain plot trial

The court martial began in Madrid of 32 army officers and one civilian charged with complicity in an unsuccessful coup last year. All denied guilt. Page 2

Talks on Cyprus

Cyprus President Spyros Kyprianou began talks in Athens with Greek Premier Andreas Papandreon about the island's future.

Recruits sought

A U.S. medical services company hopes to recruit 1,000 staff, mostly from the NHS, to work in Saudi Arabia and the Gulf.

All his own work

Playwright William Douglas-Home was cleared in London of plagiarism allegations and awarded £100 libel damages against the man who said his idea for a play was stolen.

Wolves wax

Northern Soviet Union is being plagued by wolves, whose numbers have grown sharply in the last decade. They have learnt to hide under the snow from helicopter hunters.

Briefly . . .

Secessionists killed 20 soldiers in an ambush in north-east India.

Tesco was fined £500 for displaying the wrong price on goods in a Birmingham supermarket.

U.S. said it would present proof in a week that the Soviet Union uses biological weapons.

Heavy clashes were reported between gunmen in Tripoli, north Lebanon.

BUSINESS

Gold at 2½-year low; gilts up 0.64

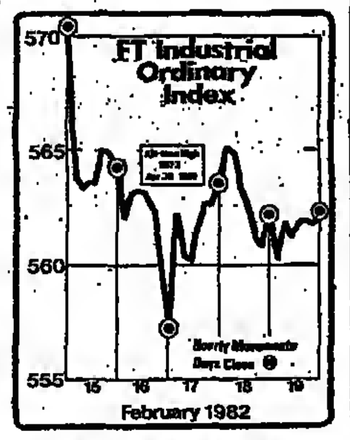
● GOLD fell $2.25 to $367.5 in London, its lowest close since September 1979. Reports of further Soviet gold sales depressed the metal. In New York the Comex February close was $363.8. Page 21

● STERLING added 20 points to $1.854. It was unchanged at DM 4.385, fell to SwFr 3.495 (SwFr 3.51) but firmed to FFr 11.1525 (FFr 11.15). Its trade weighted index was 91.6 (91.7). Page 21

● DOLLAR continued to lose ground. It fell to DM 2.3645 (DM 2.3675), SwFr 1.885 (SwFr 1.895) and Y233.25 (Y235.25). Its trade weighted index was 111.9 (112.7). Page 21

● GILTS were strong. The FT Government Securities Index gained 0.64 to 66.19, for a 1.15 rise on the week. Page 22

● EQUITIES were overshadowed by gilts. The FT 30-share index edged up 0.1 to



562.3, a fall of 8.2 on the week. Page 22

● WALL STREET was down 7.90 to 821.06 near the close. Page 18

● UK ECONOMIC ACTIVITY fell 2.7 per cent last year but there was a slight rise in each of the last two quarters. Page 3

● MEXICAN share prices rallied sharply following the Government's decision to float the peso. Page 2

● EEC JOBLESS total rose to 10.8m last month, 26 per cent higher than a year earlier.

● LEYLAND VEHICLES' Bathgate plant workforce voted to return to work and accept a management survival scheme. Page 4

Amersham offer attracts £1.75bn

● AMERSHAM INTERNATIONAL'S £71m offer for sale attracted subscriptions worth £1.75bn. About 264,000 applications were received and the offer was subscribed 24.6 times.

● NATIONAL FREIGHT COMPANY buy-out was completed when the new National Freight Consortium bought the company from the Government for £53.5m.

● DE BEERS' Central Selling Organisation may market most of the diamonds from the Ashton joint venture in Western Australia. Page 2

● AMERICAN MOTORS, controlled by Renault of France, cut its losses by 32 per cent to $136.6m (£73.68m) last year. Page 19

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:		
Exch. 13¼pc 1987 A (£20 pd.)	£20¼	+ ¼
Trea. 13¼pc 2004-08	£93¼	+ 1⅞
Adams & Gibbon	79	+ 5
Arlen Elec.	26	+ 4
B.E.T. Defd.	152	+ 5
Burton	162	+ 4
Centreway Tst.	85	+ 7
Crouch Group	118	+ 8
Electronic Rentals	94	+ 6
Extel	288	+ 13
Gillett Bros.	155	+ 12
Granada A	242	+ 5
Henlys	119	+ 5
Kennedy Brookes	162	+ 9
Kode Int.	275	+ 15
Lex Service	114	+ 6
Lloyds Bank	486	+ 16
Low and Bonar	195	+ 8
NatWest Bank	466	+ 13
Nimslo	222	+ 20
Sotheby P.B.	333	+ 8
Thorn EMI	475	+ 7
Turner & Newall	102	+ 3
FALLS:		
Burnett and Hallamshire	860	— 40
Comet Radiovision	107	— 5
Metal Box	178	— 4
Candecca	190	— 6
Gold Fields S.A.	£29	— 1⅛
Jo'burg Cons.	£35	— 1
Libanon	727	— 32

Receivers in search for £50m to keep De Lorean alive

BY JOHN GRIFFITHS

A RACE against time is now on to find £40m-£50m in further private finance for De Lorean Motor Cars, the Government-backed Belfast manufacturing subsidiary of De Lorean Motor Company which went into voluntary Receivership yesterday.

Mr James Prior, the Northern Ireland Secretary, announced the Receivership at 11 am yesterday, after De Lorean Motor Company's chairman, Mr John De Lorean, gave up at 6 am an overnight attempt to find more backing on his own.

The Receivers, Sir Kenneth Cork and Mr Paul Shewell of accountants Cork, Gulley, intend to keep the Belfast plant in operation while their search for further finance goes on.

Sir Kenneth, who led the investigation into De Lorean's affairs ordered by the Government in January, said yesterday he believed sufficient resources existed to keep the operation going for up to five weeks.

He said there were some substantial concerns showing serious interest in the company "people who have seen the American network and believe that there is a future for the car."

Prior says no to more aid, Page 3; Man in the News and Lex, Back Page

A new trading company is being formed immediately to continue the business. Sir Kenneth said that if a straightforward refinancing of this was not possible, a buyer would be found. "I'm hoping for a clean, new company not loaded with an overweight debt. If this can be arranged, I believe there is a future for the operation in Belfast, which is a good one."

The company owes £31m to its suppliers, the majority of them UK-based. They include GKN, British Steel, Lucas, Girling and Goodyear.

De Lorean's board blames the company's collapse on a winter sales slump which has left 2,500 cars unsold in the pipeline between Belfast and the U.S. parent company's 350 dealers.

The apparent key to Sir Kenneth being able to continue the Belfast operation centres on these cars and whether Bank of America is prepared to revive its former practice of providing inventory finance for them.

A Bank of America official said last night: "We have reviewed the agreement announced today. We are willing to work out anything that makes sense for everybody." It expects to meet De Lorean Motor Company officials on the subject next week.

The Belfast plant has made

Continued on Back Page

Tory policy brings tangible benefits to the better paid

BY PETER RIDDELL, POLITICAL EDITOR

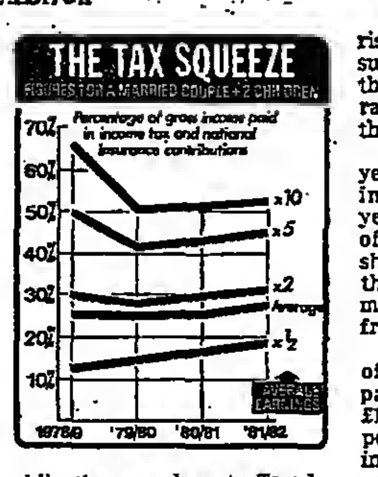
TOP SALARY earners have kept most of the benefits of the tax cuts in the 1979 Budget, while anyone earning up to twice average earnings is now paying more in income tax and national insurance contributions than in the last year of the Labour administration.

A Treasury written answer shows that an executive on 10 times average male earnings—or nearly £77,000 a year—is paying 52.4 per cent of his income in tax and insurance contributions if he is married and has two children. This compares with 66.1 per cent in 1978-79, the last year of Labour government, and a low point of 50.5 per cent in 1979-80, immediately after Mrs Thatcher's first tax-cutting Budget.

By contrast, a married man with two children under 11 receiving average earnings of about £7,600 now faces tax and insurance deductions of 27.6 per cent compared with 25.2 per cent in the last year of Labour and a low point of 24.7 per cent in 1979-80.

Men on half average earnings are now paying 18.6 per cent cent of their gross income in tax and insurance contributions—roughly 50 per cent more than in 1978-79.

These figures are highly embarrassing politically for the Government since they show that their own tax decisions have benefited the better-off while the poor have suffered.



Moreover, although the personal tax burden has risen in the last two years, the impact has been relatively small on the wealthy.

The Government would argue that both top marginal rates and average tax rates were punitively high for the well-off before the last election and they take the view that, after the changes, the tax system is still progressive in the sense that the better-off still pay more in taxation than the poor.

The cut-off between still losing or gaining from the 1979 Budget is earnings of £20,000 to £25,000 a year. Below this level, any small gains from the earlier direct tax cuts have been more than offset by the rise in employee National Insurance contributions and by the impact of the failure to raise income tax allowances and thresholds in line with inflation.

Above the £20,000-£25,000-a-year range, the percentage rise in deductions in the last two years has been insufficient to offset the benefits of an earlier sharp rise in higher tax rate thresholds and the cut in the marginal rate of income-tax from 75 to 60 per cent.

Consequently, the chairman of one of Britain's big companies earning, for example, £150,000 a year, now pays 56.2 per cent in tax and national insurance compared with 74.5 per cent in 1978-79.

Indeed, married couples on half to three-quarters of average earnings never had any reduction in their percentage deductions in 1979-80.

These figures to some extent present too favourable a picture since they exclude the impact of the sharp rises in Value Added Tax and Customs and Excise duties which have a disproportionate impact on the poor.

The figures emerged in answer to a question from Mr Jack Straw, MP for Blackburn and a Labour economics spokesman. He also tried unsuccessfully to find the cash cost (and benefit to taxpayers) at current prices of the various changes introduced in the 1979 Budget.

Lloyds profits grow by 33%

BY WILLIAM HALL, BANKING CORRESPONDENT

LLOYDS BANK, the first of the big clearers to report its 1981 figures, yesterday announced a 33 per cent rise in pre-tax profits to £385.6m.

The results for the year to end-December 1981 were in line with expectations. But the group surprised the stock market by increasing its dividend by 25 per cent, and shares rose 16p to 486p, the highest level for over a year.

Sir Jeremy Morse, chairman, said the profit growth reflected a "strong world-wide performance and better control of costs." The drop of more than a fifth in the value of sterling against the U.S. dollar had also increased profits.

The group's performance is unlikely to be matched by the other clearing banks. They will report their 1981 results over the next few weeks.

The key factor has been the growth in international profits with Lloyds Bank International nearly doubling its operating profits to £138.7m. The international contribution jumped from 39 per cent to 47 per cent.

Mr Norman Jones, group chief executive, said yesterday that LBI's advances had grown by about 70 per cent to £8.5bn while domestic advances were up by just over a fifth.

Operating profits of Lloyds' domestic business increased by 22 per cent to £235.4m. Despite a fall of close to a fifth in average base rates during 1981, domestic banking profits were well maintained in real terms. Higher volumes, increased market share, wider margins plus a tight control of costs were the main factors.

On a group basis, net interest income rose by 22 per cent to £1bn, and other income was 29 per cent higher at £323.1m. The bad debt charge was 26.4 per cent higher at £85.7m, but operating costs rose only 17.2 per cent to £878m.

Sir Jeremy said that the substantial increase in provisions reflected the continued difficult economic conditions in many countries, including Britain. He refused to disclose the extent of the bank's provisions against its Polish loans, but said that only $650,000 (£350,600) of interest was overdue.

Details, Page 16; Lex, Back Page

CONTENTS

For latest Share Index phone 01-246 8026

Haughey has edge in close Irish election

BY BRENDAN KEENAN IN DUBLIN

MR CHARLES HAUGHEY'S Fianna Fail party held an early edge after first returns in the Irish general election yesterday. The party's director of elections, Mr Albert Reynolds, predicted an overall majority of three seats for it in the new Dail (parliament).

But workers for the deposed Fine Gail party were not conceding defeat. It looked as though much would depend on how a handful of seats fell during the night.

It seems clear, however, that the electorate has delivered a stinging rebuke to Sinn Fein, the political wing of the Provisional IRA. Its seven candidates got less than half the support given to H-block hunger strikers in the general election last June.

Mrs Bernadette McAliskey, a former Westminster MP who was standing as an independent in Mr Haughey's constituency, fared badly and will not be in the new Dail.

Mr Charles Haughey, the Fianna Fail leader, who was re-elected on the first count in his Dublin constituency, said the party was doing well in the marginal seats and that he was quietly confident.

Fine Gael workers did concede yesterday evening, that it would be difficult for them to achieve an overall early majority on the basis of the early results, in which outcome for 49 out of 165 seats had been delayed. They believed another stalemated Dail was possible and that Dr Garret FitzGerald could return as Prime Minister. Early counts showed Fianna Fail with 25 seats, Fine Gael 21, Labour one and other parties two.

As expected, the Labour Party, junior partner in the erstwhile coalition government, ran into trouble and Mr Michael O'Leary, the party leader, was in danger of losing his seat.

The swing was far from uniform. Fine Gael did well in the greater Dublin area, but there was a swing to Fianna Fail in rural areas where many of the key marginals are.

One surprise was the good showing of the Sinn Fein Workers' Party, a left-wing body not to be confused with Sinn Fein itself.

The party, which grew out of the old Official IRA, won its first Dail seat in the last election and now has a chance of taking a second. Its good showing probably reflects dissatisfaction with the bigger parties, particularly Labour.

In Kildare, Mr Charles McCreevy, who had the Fianna Fail whip withdrawn for criticising party economic policy, increased his vote by 50 per cent.

The poor showing by Sinn Fein may end the Provisionals' flirtation with the ballot box. It confirms that the electorate drew a sharp distinction between the H-block campaign and the Provisionals' wider policy.

Contrary to expectations, three of the four independents who held the balance of power after the last election, looked like holding their seats. They include Mr Jim Kemmy, whose vote against the proposed Budget last month brought down the Government. He increased his vote in Limerick.

One possibility was that, to form a government, Mr Haughey would need the support of Mr Neil Blaney, the Donegal independent. He was a minister when sacked, with Mr Haughey, in 1970 by Mr Jack Lynch, then Prime Minister, amid allegations of attempted arms smuggling to Northern Ireland.

Mr Blaney subsequently left Fianna Fail and has been an independent MP since then. But, if his vote were vital to the formation of a government, he might have to accommodate anew.

£ in New York

—	Feb. 19	previous
Spot	$1.8560-8580	$1.8360-8375
1 month	0.20-0.25 pm	0.30-0.36 pm
3 months	0.67-0.72 pm	0.91-0.99 pm
12 months	2.30-2.45 pm	2.88-3.08 pm

Clothing makers to fight tab claim

By Anthony Moreton, Textiles Correspondent

THE humble little tab sewn into the seam of a pair of jeans has led to a virtual declaration of war between the British clothing industry and the American giant Levi Strauss.

"We received a clear mandate from our members to proceed in the most effective way possible." Mr Gerald French, director of the British Clothing Industry Association, warned yesterday, taking up an aggressive attitude to the San Francisco company.

There was no knowing where Levi Strauss' action might end, he hinted, after a meeting of his members had expressed strong words on the subject.

The source of consternation is the attempt by Levi Strauss to register as a trademark the tab which many manufacturers sew into a seam and allowed to flap free—not, it must be added, the maker's name, known as the "back yoke," which is stitched across the back of a pair of trousers.

In 1972 the American concern succeeded in registering the tab in five colours as its trademark. Five years later it applied to register as a trademark tabs sewn into the seam or flap of a pocket. Now it is considering applying for the sole right to use a tab of any colour on all clothing and footwear.

This is the point at which the British industry has baulked. It fears that any extension of the original trademark could affect shirt-makers and those who produce blouses, skirts, suits and many other items of clothing.

"Tab labelling is also commonplace on garments such as brassieres and this, too, would become an infringement."

"The application," said Mr French, "cuts right across accepted trade practice and would affect the vast majority of clothing manufacturers, retailers and importers in the UK."

Continued on Back Page

OVERSEAS NEWS

De Beers expected to win Australian diamond contract

BY GEORGE MILLING-STANLEY

DE BEERS' Central Selling Organisation seems likely to assume responsibility for the marketing of most of the diamonds from the Ashton joint venture in Western Australia, set to be the biggest diamond mine in the world.

The plan runs directly counter to statements made to the Australian Parliament last October by Mr Malcolm Fraser, the Prime Minister.

Mr Fraser raised objections to the diamonds being sold through the CSO, thus strengthening what he described as a "South African monopoly." De Beers, which was recommended by the Rio Tinto-Zinc group's Australian arm CRA, leader of the joint venture, handles the marketing of some four-fifths of world output of rough (uncut) diamonds.

It seems unlikely, however, that CRA would have gone so far as to make its recommendation public without having some reason to believe that it would eventually secure Government approval.

CRA's recommendation follows two years of intensive study and discussions with a number of other potential buyers of the stones. But it is clear that CRA believed De Beers offered the best prospects. The proposal is still subject to the approval of the joint venture partners, Ashton Mining and Northern Mining, and of both the state and national Governments, which could refuse export licences for the stones.

It envisages that De Beers will handle the marketing of all of the gems, probably around 10 per cent of the total output, and of 75 per cent of the near-gem and industrial material. The remaining 25 per cent of the lower value goods will be sold on the open market.

The high proportion of cheaper stones will ensure that Ashton, even though it will be the biggest diamond producer in volume terms at an annual rate of some 22.5m carats when it comes into full production in 1985, will not rank first in value terms.

De Beers said yesterday that it was "pleased to have reached the basis of an agreement" with the joint venture. De Beers has agreed that the project will receive the most favourable CSO commission rate.

The plan would ensure that De Beers retains its pre-eminence in the world diamond business. This position took something of a knock last year when the company lost its exclusive marketing deal with Zaire, which looks likely to remain the biggest producer of industrial-grade diamonds in the world until Ashton reaches full production.

Spanish Generals seek acquittal

By Robert Graham in Madrid

Colonel Tejero: seized Parliament in session

THE ALLEGED ringleaders of Spain's abortive coup of last February 23 rejected any form of guilt and sought acquittal on charges of rebellion when their trial by court martial opened here yesterday.

A total of 32 officers, including three Generals, and one civilian are before the 17-man court. The charges relate to the seizure of Parliament in full session on the night of February 23 and the placing of the Valencia military region under martial law.

The prosecution yesterday sought sentences of 30 years for the three principal figures in the plot — Gen Jaime Milans del Bosch, Commander of the Valencia military region at the time of the coup attempt; Gen Alfonco Armada, number two in the Joint Chiefs of Staff; and Col Antonio Tejero, the Guardia Civil officer who seized Parliament and held the 350 deputies hostage for 18 hours.

Other sentences demanded ranged from 20 years for the former commander of the crack Brunete armoured division, Gen Luis Torres Rojas, down to five years for junior Guardia Civil officers who joined the party seizing Parliament at the last minute.

Differences among the alleged ringleaders became immediately apparent when written statements of evidence were read from Gen Milans del Bosch and Gen Armada. The latter denied any involvement in the plot either to take over Parliament or to form a government of national salvation.

Gen Milans del Bosch insisted that he had acted solely on the basis that the King knew and approved of the plan. Contacts with the King had been left to Gen Armada. Gen Milans del Bosch maintained he put Valencia under martial law because of the vacuum of power created by the seizure of Parliament.

Gen Armada's written statement directly contradicted this. He also denied ever having discusesd a coup in his contacts with Gen Milans del Bosch and claimed not to know Col Tejero.

The prosecution case is that the coup attempt was organised by Gen Milans del Bosch using Col Tejero to take over Parliament. Once Parliament was seized Gen Armada would take charge and assume the government. Claims of royal involvence are an invention, the prosecution insists.

The frequent invocations of the King's support and the discrepancy between the two leading generals' testimony are likely to be the main sources of tension during the trial.

David Dodwell, recently in Manila, meets Imelda Marcos

Iron Butterfly spreads her wings

Imelda Marcos: "I am both star and slave"

"I am both star and slave," said Imelda Romualdez Marcos, First Lady of the Philippines, the Rose of Tacloban and self-styled patroness of beauty, the arts and discipline, as she sat prettily on the Louis XV settee in her Music Room. "I have to be a symbol for our people. I try to approximate the symbol, but I know in my heart that I'm just as human as anyone else."

As wife of President Ferdinand Marcos, one of Asia's longest-serving leaders, and as a formidable political figure in her own right, Mrs Marcos must be counted among a tiny group of women to win international renown.

A childhood of poverty, first in Manila and then in Tacloban in Leyte, was transformed in fairytale fashion as Imelda's beauty, nightingale voice and iron will made her first the Rose of Tacloban — winner of a coveted beauty prize—then at the age of 23, Miss Manila, and finally after a whirlwind 11-day romance, wife of the then Congressman and war hero Mr. Marcos.

Her rags-to-riches story invites comparisons with Eva Peron—as does her blatant political ambition.

As Mr Marcos, now 63, grows older, so he and the political community in the Philippines turn more urgently to the matter of a successor—and no one's name is mentioned more often than that of his wife.

Mrs Marcos arouses fierce loyalty and ferocious antipathy. An enchantress as a hostess, she evokes unmitigated venom from her political opponents. Not for nothing is she called "the Iron Butterfly."

But in her music room, only the butterfly is immediately apparent. At 52, she is still tremendously attractive. Her hair may have to be dyed a little, but her complexion is still perfect, and she loves expensive jewellery and beautiful clothes. It is said that Mrs Marcos never wears a dress more than once.

"I have always been controversial," she said, clutching a simple red and white cushion in her lap. "I have always fought for the good and the beautiful. I am a soldier for beauty. But you can't achieve beauty without discipline."

The mood created in the music room around her bore witness to this commitment to beauty and discipline. Beside the grand piano, amid photographs and sketches, the mounted head of a Greek god; vases and bowls from China and ancient Europe; huge arrays of sheeny crimson anthericum lilies, one alongside a potpourri of overpowering jasmine petals; two chrysanthemum plants, carved out of jade, with microphones poking out of the petals —"The President always insists on taping what I say, so that he can hear whether I have said anything silly or not."

Mrs Marcos' preoccupation with beauty seems to form an important part of a distinctive political philosophy, and she discusses it with a fluency verging on the gregarious. "The Filipino people are graceful in nature, they are in rhythm with the currents of nature and have to be gracefully evolved.

"Politics is the most beautiful and most comprehensive of arts if it is people-oriented and truly selfless. But if the object of politics is 'me,' then it is an ugly art. Our ultimate goal is not measurable by economic indices, but by visibles, in the smiles and happiness of the people."

The recent Manila Film Festival, which cost the Filipinos an estimated $100m (£54m) and brought them few apparent benefits, is a good example of Mrs Marcos' commitment to the development of beauty as a high political priority.

"Our goal is not extravagance but beauty," she insisted. "I will be attacked again for backing the film festival, but I will win in the end, because film is the industry of the future. In the future there will be more time for leisure and recreation, and film will come into its own because it is the total medium of communication. It will bring the world to us, and take the Philippines to the world."

Another example of Mrs Marcos' idiosyncratic approach to economic growth and poverty alleviation is her recent purchase of $5m of antique furniture in New York. The plan is evidently to bring the antiques back to the Philippines so that Filipino craftsmen can copy the designs, and then export modern "antique" furniture.

Whimsical though such ideas might seem, they have to be taken very seriously in the Philippines, since Mrs Marcos has become a lady of immense power. Never satisfied simply to adorn the arm of the President, Mrs Marcos has for many years been an informal ambassador and plenipotentiary for her country.

At home, as head of the Ministry of Human Settlements, she has power almost without limit. This Ministry, perhaps now the country's largest and certainly its fastest-growing, has powers which cut across every other Ministry.

One observer recently noted with some justification that Mrs Marcos' ministry was regarded by other ministries as "a bottomless pit for spending large sums of money on low priority, high publicity projects."

The newly inaugurated National Livelihood Programme —the Kilusang Kabuhayan at Kaunlauran (KKK)—illustrates the basis of such accusations. With a budget of Pesos 2bn (£131m), the programme is funded by the Ministry of Human Settlements and aims to encourage rural development and private enterprise in villages.

Critics see the programme as a "pork barrel" for the dispersal of political patronage. One foreign diplomat, admitting that it was still too early to reach conclusions about its value noted: "The KKK is the perfect pork barrel, whether it is used that way or not. It provides Imelda with the means to spread her grass roots support and to apply political leverage right down to the barrio (village) level."

But Mrs Marcos' political ambitions stretch far beyond the Ministry of Human Settlements. In recent years, it has been widely believed that Mr Marcos was grooming his wife as a successor. She is said to have been deeply disappointed when Mr Cesar Virata, the country's highly reputed Finance Minister, was appointed Prime Minister late last year. She is alleged to have sought the post for herself.

Mrs Marcos categorically denies these reports: "I did not want to be Prime Minister. I think that with President Marcos there, that is enough. I have come to a stage in my life when I don't need positions. Formal positions and cutting ribbons are such a waste of time. I can service this country with more totality, with more time and commitment, with no office."

Further, she claimed that Mr Marcos saw no role for her when he stands down. "I have no place in his plans—I'm not in his five-man executive. I have no care for that. I have only one belief, and that is in the people."

However, as Mr Marcos's health becomes less certain, so it may become irrelevant whether she has the President's blessing or not. Mrs Marcos now has enough patronage and influence to launch a bid for power independently of the President. Whether she will choose to do so, and what the reaction of the Filipino people would be to such a bid, has still to be seen.

One this is certain. She does not feel her sex should be a barrier to power. "Women must be there in power, too. As the ones who give birth to life, we are the ones that not only nourish but cherish life. People look to me as first lady as the mama of the country."

Exchange rates issue for summit

By John Wyles in Brussels

PRESIDENT REAGAN has agreed to discuss proposals for closer international co-operation to deal with exchange rate problems at the Western economic summit in Versailles in June.

This undertaking was presented in Brussels yesterday by Mr Wilfried Martens, the Belgian Prime Minister, as one of the main fruits of his talks at the White House on Wednesday. As the current president of the European Community's Council, Mr Martens had been mandated by the 10 to stress their concern about high U.S. interest rates and the instability of the dollar and to urge a more collaborative approach to these problems.

Mr Martens's main achievement was to have won presidential agreement to put it on the Versailles agenda. This still leaves the EEC with the task of persuading the U.S. to abandon its reluctance to stabilise the dollar through intervention in the foreign exchange markets.

It is doubtful whether this can be achieved in the preparation for the summit. Mr Martens said the issues would be dealt with in the normal way by the Government representatives who do the groundwork for the summit.

He did not disclose details of the proposals for greater co-operation which he outlined to Mr Reagan. He did say, however, that one aspect covered the need for new relations between the dollar the yen and the currencies of the European Monetary System.

Mexico stock exchange welcomes peso float

BY WILLIAM CHISLETT IN MEXICO CITY

MEXICAN businessmen yesterday applauded the Government's decision to allow the peso to trade freely on foreign exchange markets.

But trade unionists were more critical and may demand an extraordinary wage increase to compensate for the expected sharp rise in prices.

The depressed Mexican stock exchange staged a dramatic rally in the wake of the downward float, which has so far reached 30 per cent. Trading yesterday showed little change from Thursday. Banks traded the peso in the range 37-38 to the dollar. The rate was 26.75 on Wednesday.

The 42 price index, which has plunged almost 250 points since the end of 1981, rose 179.7 points on Thursday and stockbrokers expected the rise to continue.

Despite the fact that many companies will be hard hit by the devaluation since they have large dollar debts, all share prices rose.

Even the shares of Alfa, Mexico's largest private sector holding company which is undergoing serious problems after amassing an external debt of $2.3bn (£1.24bn), rose a few centavos.

Shares of mining companies, which trade in dollars, shot up over 60 per cent.

The stock exchange rally, stockbrokers said, reflected the private sector's relief that the peso had finally been devalued. Companies had been anticipating a devaluation for some time, despite Government assurances to the contrary.

The Government is anxious to avoid repeating the mistake made after the 40 per cent devaluation of the peso in 1976. Its effects were wiped out by spiralling inflation caused by a lack of price controls and a high wage increase.

The Finance and Planning Ministers are due to announce further measures which could include further price controls, a small extra wage increase and cuts in the budget to slow down economic growth to less than this year's targeted 5-6 per cent.

Popular reaction has been much calmer than in 1976. This is probably explained by the fact that many people have been preparing for a devaluation and have changed their pesos into dollars. There were more new deposits in January in dollars than in pesos.

The central bank is keeping silent about its reserves. But international bankers said there had been a fresh spate of short term borrowing by public sector agencies in the past few weeks.

Bankers were convinced the money was going to prop up the reserves, which they said were being bled by outflows of capital and the high cost of sustaining an artificial exchange rate.

One representative of a major U.S. bank said many public agencies were having to pass on their dollars to the central bank. "They were just financing capital flight through borrowings," he said. "It could not go on for ever."

The wealthy Mexican political class has been taking advantage of the cheap dollar to buy property in the U.S.

Loyalty problem for Ministers in Zimbabwe

By J. D. F. Jones in Salisbury

THE THREE remaining Patriotic Front members who are Ministers or Deputy Ministers in the Zimbabwe Government will this weekend decide whether to desert their leader, Mr Joshua Nkomo, who was dismissed in a political showdown this week.

Mr Nkomo and three other dismissed Ministers were yesterday followed out of the Government by their coleague, Mr Clement Muchachi, the Public Works Minister.

One of the Deputy Ministers who have not yet left Mr Robert Mugabe's Government, Mr Cephas Msipa—who was formerly employed in the Lonrho group—has spoken of his loyalty to the nation rather than the party.

Zimbabwe was reported to be peaceful yesterday

Poles warned against resistance

BY DAVID BUCHAN

THE POLISH Government said yesterday that "sinister" slogans encouraging resistance to martial law could lead to even tighter military rule.

Mr Jerzy Urban, the Government spokesman, was commenting in the daily newspaper Zycie Warszawy on the appearance of the slogan "the winter is yours but the spring will be ours" painted on walls or circulated in leaflets.

The introduction of martial law had "corked the imp inside the bottle," Mr Urban said. "If the slogan 'the spring will be ours' is put into effect in any form whatsoever, the cork is bound to be pressed deeper and harder."

The military authorities late last week mounted a big show of force to impress on the population that martial law rules were not to be flouted. Some 3,500 people were temporarily detained and several thousand more fined, chiefly for breaking the night curfew.

A handful of Catholic priests have also been detained, but speculation that the Government is about to crack down on church sympathisers with the suspended Solidarity movement is largely discounted on the ground that General Jaruzelski cannot afford to antagonise the powerful Polish church.

A leader of West Germany's conservative opposition party yesterday called off a planned trip to Poland. Herr Walther Leisler Kiep, deputy parliamentary leader of the CDU, said he did this because he had been refused a chance to meet Mr Lech Walesa, the detained Solidarity leader.

Meanwhile, the Soviet State Bank yesterday announced that the Polish zloty was being devalued by eight times relative to the Soviet rouble on "non-trade payments." Thus, 100 zlotys would now be worth 2.78 roubles, instead of 22.50 roubles.

Western experts said the move had little importance, except for tourism between the two countries and for Poles and Russians living in each other's countries. But this limited devaluation, which follows a general devaluation by Poland at the start of the year, might lead to similar adjustments of the zloty against other Eastern bloc currencies.

Stewart Fleming reports from Frankfurt: Poland is due to repay DM 1.4bn (£320m) of interest and capital on Government guaranteed debt the West German Government disclosed yesterday in response to a parliamentary question.

East European Communist countries owe a total of DM 18.6bn, of which DM 11.8bn is owed to banks according to Government figures. This does not include the debts of foreign subsidiaries of German banks.

The Government said that the total indebtedness of the East European bloc to Western industrial countries is estimated to have reached $80bn (£43bn).

Former HK securities chief bailed

THE FORMER head of Hong Kong's watchdog committee on the local stock markets and securities exchanges, Mr Uisdein McInnes, has been released on bail after being arrested by the colony's anti-corruption commission, Reuter reports from Hong Kong.

Mr McInnes, 49, said he was assisting an investigation into an allegation that he had lived beyond his means.

The Independent Commission Against Corruption said that Mr McInnes had been arrested under a section of a prevention of bribery ordinance that covers maintaining a standard of living above what is commensurate with official emoluments while a civil servant.

He was first questioned on Wednesday, then arrested and released on Thursday night on bail of HK$25,000 (£2,300). The Commission said no one had been charged and investigations were continuing.

New Finnish PM

Finland's new Government sworn in yesterday, is led by Mr Kalevi Sorsa, a Social Democrat, Lance Keyworth writes from Helsinki. Another important change in the coalition Cabinet is the appointment of Mr Per Stenback, of the Swedish People's Party, as Foreign Minister.

Wage talks collapse

Wages talks in the West German metal working industry, which encompasses both the car and engineering industry, collapsed yesterday, Stewart Fleming writes from Frankfurt. Negotiating committees for the employers in three key regions met yesterday and declared a breakdown in the talks on the grounds that I. G. Metal, the 2.7m-strong union, had displayed no willingness to compromise

Strike strategy talks

Portugal's main trade union confederation met yesterday to work out a strike strategy after the pro-Soviet Communist Party unveiled plans to step up labour unrest to try to bring down the Government. Reuter reports from Lisbon.

Unions reject Renault pay offer

BY TERRY DODSWORTH IN PARIS

RENAULT, the French motor group, yesterday offered its 100,000 workers an 11 per cent pay increase for this year, falling broadly into line with the Government's anti-inflation plan. The offer was immediately rejected by the trade unions.

The company's offer was based on the system advocated by M Jacques Delors, the Economics Minister. This allows for four quarterly rises which presupposes a given rate of inflation, with the possibility of an upward readjustment if prices rise faster than forecast.

Similar proposals were made recently by the Government to the civil service unions, which are due to resume talks on a 10.5 per cent offer next week.

In the case of Renault, the management proposed two 3 per cent increases dated from February 1 and May 1, followed by 2.5 per cent rises at the beginning of August and November. The company promised to aim at maintaining real take-home pay, but said that this should depend partly on its profits record.

The unions rejected the offer on the grounds that it had been based on the INSEE national statistics office figures for price inflation, which are claimed to give a biased picture. The unions also refused to accept that pay should be linked to profits.

The company's move, however, is an important pointer to industry's efforts to restrain wage rises this year, when extra costs can be expected from the wider introduction of the 39-hour working week. Salaries roughly kept pace with the 14 per cent rate of inflation last year.

Meanwhile, although many strikes are still continuing over the shorter working week issue, the conflict is beginning to lose its intensity.

Following the intervention of President Francois Mitterrand last week, when he said that no workers should lose purchasing power as a result of cutting the working week from 40 hours to 39, several companies have signed agreements which maintain salaries while introducing the shorter week.

Nantes sets up town hall teledata

BY TERRY DODSWORTH IN PARIS

NANTES, in western France, has launched a new experiment in television screen data systems designed to give its citizens access to specifically local information.

The experiment, financed by the city with some help from the national telecommunications authority and the Datar regional aid organisation, follows the trial of a similar system for individual households at Velizy in the Paris region. Both systems involve the use of television type screens, which put out information requested by users via a keyboard.

At Nantes, all the 30 screens will be sited in public locations, such as the town hall, post offices and youth centres. Access is entirely free. Users can choose between a variety of subjects from municipal services to education, sport, health, building legislation, unions

The idea arose from a town hall survey which showed that about 15 per cent of the requests received daily by the town hall were outside its area of responsibility. At the same time, the introduction of the public screens goes some way to meeting the Socialist argument that all levels of society should have access to new technological developments.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.

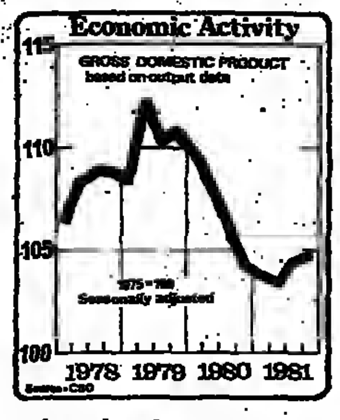
UK NEWS

GDP declined last year despite oil output rise

BY ROBIN PAULEY

ECONOMIC activity in the UK fell by 2.7 per cent last year compared with that of 1980. But there was a slight rise in each of the last two quarters, after two years of consistent decline in the underlying level of total output.

Central Statistical Office figures published yesterday show that real Gross Domestic



Product—based on output data, the best short-term measure of economic activity — increasad by 0.5 per cent in the fourth quarter of last year, over the third quarter.

The Index for the fourth quarter is estimated at 104.8 (at constant prices, with 1975 = 100, and seasonally adjusted).

The rise follows a 0.3 per cent increase in the third quarter. That rise, like the other, was almost wholly accounted for by greater output of oil and gas. Although the recession seems to have tailed off, the figures indicate that the recovery is so far very modest and very slow. There are signs of small increases in activity in transport and the distributive and motor trades, but the rest of tha non-energy economy is static.

Tha figures do little to support the Government's cautious optimism that a sustained, if modest, recovery is under way, although the worst of the recession is clearly over. Output is still 7 per cent lower than when the Government took office and is scarcely higher than the 1975 level once the beneficial effects of North Sea oil and gas output are set aside.

A further setback for the Government was the recent industrial output figures, which showed that any recovery which might have started in industry earlier in the year started to falter towards its end. Industrial production fell by 1 per cent in December, compared to November, after a 1.7 per cent fall in November, compared to October.

Any analysis of the state of any recovery this year will be clouded by the effects of strikes and of the cold weather.

Print union dispute may close Northern Press

BY BRIAN GROOM

THE NORTHERN PRESS, a division of the Westminster Press provincial newspaper group, warned yesterday that it faced closure because of a dispute with members of the National Graphical Association.

The division, which publishes the evening Shields Gazette, four weeklies and a free-sheet at South Shields, wants to cut the earnings of NGA composing-room members in a bid to stem its losses. These were £200,000 in 1980 and £385,000 last year. A loss of £300,000 is forecast for this year.

The compaoy argued that productivity of thesa workers, whose daytime staff earnings averaged £227 a week, was well below that of comparable production centres.

The dispute began last November. Management eventually dismissed those workers who had stopped all flexible working and rejected a final package to improve productivity and limit their earnings to £160-£170.

Mr Bob Fairfax, NGA branch secretary, said his members acceptad that the company was in difficulty and were prepared to take a wage cut. The dispute was over how big it should be.

John Lloyd adds: The National Graphical Association, the main print craft union, has voted to accept tha 5 per cent pay offer to printers on national newspapers.

Of the four print and two maintenance unions in Fleet Street, only two have voted against acceptance. These are the warehousemen's union Sogat and the electricians' union, the EETPU.

Nissan talks on UK car plant remain stalled

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

NISSAN of Japan has failed so far to reach agreement with the UK Government about terms for a Datsun car plant in Britain, although negotiations were expected to end this week.

Before he left Britain yesterday, Mr Masataka Okuma, the Nissan vice-president heading the negotiating team, said some progress had been made but "there are still some problems on which Nissan and the British Government have different views."

The problems are believed to involve the level of local component content in the cars if Nissan were to go ahead with its 200,000-cars-a-year project.

The Government has consistently told Nissan it welcomes foreign investment in Britain, bnt only if it benefits the UK economy.

The Nissan team had two days of talks this week with Department of Industry officials. Mr Patrick Jenkin, the Industry Secretary, took part in the discussions for the first time since he entered office.

The department described the discussions as "amicable" and insisted, "both the UK Government and Nissan would like the project to go ahead if the right formula could be found."

Contacts between the two sides will continue but a decision by Nissan about the project, involving a total outlay of between £300m and £400m, looks unlikely this month.

A number of previous delays indicates Nissan's difficulty in seeking a viable formula. A decision had been scheduled, rather optimistically, for last summer.

Court of Appeal hears ACC evidence in private

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE COURT of Appeal yesterday sat in private for nearly three hours considering legal argument about sensitive new evidence by Mr Robert Holmes à Court on the financial situation of Associated Communications Corporation.

It is understood that the evidence included the, as yet, unpublished offer document for the first bid by Mr Holmes à Court's Bell Group for ACC.

The court had previously been told that the document was not available because it had not yet been sent out to ACC's shareholders.

Lord Justice Lawton said that it was with regret that the court closed its doors to the public, but it was necessary to do so for the proper administration of justice.

Only the parties to the dispute, their lawyers and financial advisers were allowed to remain.

Lord Justice Templeman said he had one question about the new evidence to put in open court to Mr S. A. Stamler, QC, who leads the legal team of the Heron Group which is a rival bidder for ACC.

"Having read this, are yon still prepared to pay 90p?"

"Yes," said Mr Stamler. "We are not frightened."

On Thursday, Heron had announced that it was increasing its offer for ACC from 85p to 90p.

Lord Justice Templeman said be thought it might be comforting to members of the public to get an answer to his question before the court went into private session.

During the hearing of Heron's appeal against the High Court refusal to make temporary orders preventing the ACC directors transferring their shares to Mr Holmes à Court, Mr Holmes à Court has stated in evidence that ACC's financial position is continuing to deteriorate.

Mr Stamler has been sceptical about that — and of the suggestion that when, on January 13, the directors committed themselves to Mr Holmes à Court, the company's problems necessitated urgent and immediate action.

Yesterday, Mr Stamler suggested that what was troubling Mr Holmes à Court was the financial responsibilty for ACC that Bell had assumed.

But that responsibility had been assumed knowingly and willingly, when it was known that what had occurred was being challenged.

If there had been any urgency, it was odd that, a month after Bell bad provided £10m revolving credit for ACC, that facility had not been used.

The hearing will resume in open court on Monday.

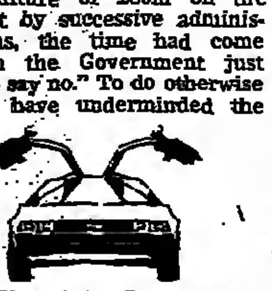
John Hunt reports on the Commons' announcement of De Lorean's receivership

Prior says no to more aid but offers some hope

During the exchanges, Mr Prior disclosed that he is reviewing the possibilities of tax concessions, particularly on corporation tax, to attract new industry to Northern Ireland. Mr Peter Hordern (Con. Horsham and Crawley) suggested concessions might provide a better contribution to the prosperity of the province. Mr Prior replied: "This is something I have under review. It presents a number of problems if one seeks to go a different way in Northern Ireland to the rest of the UK. But one of the attractions of the suggestion is that it would bring us more into line with the Republic which has been more successful than us recently in attracting invesments."

THE GOVERNMENT does not intend to give further financial assistance to the Belfast-based De Lorean car company, Mr James Prior, the Northern Ireland Secretary, told the Commons yesterday, when he announced that the company had gone into receivership.

He said that after the expenditure of £80m on the project by successive administrations, the time had come "when the Government just had to say no." To do otherwise would have underminded the



credibility of the Government's entire strategy in Ulster.

At the same time, however, he emphasised that the Government is pinning its hopes on the receivers attracting enough private capital to put the company on a sound financial footing.

But he warned that "substantial further finance" would be required, and that there could be no guarantee that a secure way ahead could be found by reconstruction of the company.

Mr Prior said that right up to 6 am yesterday Mr John De Lorean had still been hoping for a telephone call from the U.S. with a promise of a capital injection which would have averted the need to call in the receivers.

As worried MPs bombarded him with questions for 44 minutes, Mr Prior gave an unruffled performance, keeping tempers cool and avoiding what could have been a very tricky situation for the Government.

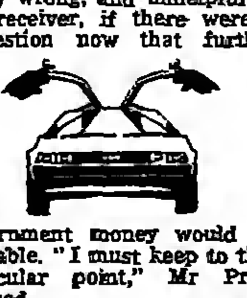
On the chances of success for De Lorean, he said it would be quite wrong to be too optimistic. "We have a lot of difficulties ahead but the events of this morning show me that there is more goodwill to try and reach some successful position than one might have thought possible over the past few weeks.

"I hope that all concerned will now work together to explore tha scope for establishing a viable realistic and financially secure basis on which the project might survive and continue to provide much-needed employment."

The receivers, he said, would do everything possible to maintain the company—"certainly that is our wish and our intention, but it will have to be done by an injection of capital from outside."

Success would depend on the receivers making satisfactory arrangements with one or other of the parties now negotiating with them.

Labour and Conservative Governments had done everything in their power to help the company. It would be absolutely wrong, and unhelpful to the receiver, if there were a suggestion now that further



Government money would he available. "I must keep to that particular point," Mr Prior stressed.

He was urged by Labour MPs not to close his mind to the possibility of further Government aid. On the Conservative benches there was general relief that the Government did not intend to make more public funds available.

From MPs of all parties, however, there was extreme concern about the position of companies in their constituencies which supply parts to De Lorean. There was also widespread worry about the repercussions on employment.

Some MPs suggested the Government should come to the aid of UK suppliers who would be particularly badly hit. Mr Prior promised that be would have talks about this with Mr Patrick Jenkin, the Industry Secretary, and Mr Norman Tebbit, the Employment Secretary.

He said there bad been "considerable management and marketing" mistakes in the company through aiming for sales in the U.S. as great as 18,000 to 20,000 cars a year. A fundamental mistake by management had been to introduce a second workshift to achieve such targets.

Mr Prior thought that a more realistic figure would he 8,500 to 9,000 a year. Mr Stephen Ross, Lib., Isle of Wight, thought the figure should be even lower, probably 5,500 to 6,000. But Mr Prior rejected this aod said production at that level would be unprofitable.

One of the most unsatisfactory parts of the structure of the business had been the relationship between the American company and that in Belfast, said the Secretary of State. "Certainly, the receivers will not be satisfied with the present arrangement," he added.

In his statement, Mr Prior said that the reports which the Government had commissioned on the prospects for De Lorean showed the company had some solid achievements to its credit. Nevertheless they also showed that the company was insolvent.

He had met Mr De Lorean and the directors on Thursday. They told him that, while there were a number of promising lines of discussion with parties interested in investing in the busioess, none could be concluded in time to cope with the immediate cash crisis.

There were cheers from Conservative MPs when the Secretary of State said that he had told Mr De Lorean there waa no question of further public money. Mr De Lorean had been in no doubt about this for the past three weeks.

It was agreed that the company had no alternative but to appoint receivers, Sir Kenneth Cork and Mr Paul Shewell. They had made it clear that their object was to secure a reconstruction of the business and to carry on a limited programme of production. Mr Prior welcomed this and hoped it would pave the way to maintenance of employment at the plant.

The receivers had also asked that—in the light of Mr De Lorean's offer to put $5m of new resources into the Ameri-

can company—the Government should agre to the withdrawal of certain guarantees made by the American parent company to the Belfast manufacturing company.

Mr Prior said he had agreed to this because the American company would be insolvent without the injection of Mr De Lorean's persooal investment. Therefore the Government was surrendering nothing of practical value.

The receivers had made it clear that serious negotiations with interested parties were under way.

The Northern Ireland Development Agency would be having no further connection with De Lorean because the receivers would have to set up a fresh company which would be their responsibility.

Picking up the pieces of one man's shattered American dream

BY JOHN GRIFFITHS

THE HIGH-FLYING dream of John De Lorean, to become the first American to make a success of founding a major car company for 50 years, hit the ground yesterday with a thump.

It had been borne aloft on the gull wings of his $25,000 stainless steel sports car—an "ethical" machine with a 25-year life. Americans would buy 20,000 of them each year.

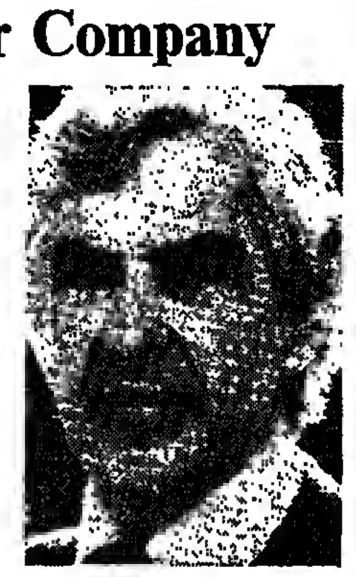
The Belfast plant making them carries on—for the moment—but with a very different figure at the controls.

Sir Kenneth Cork, the best-known receiver in the business, believes he has about fiva weeks at most to put together the £40-£50m he estimates is needed, if the project (into which the Government has sunk £67m in cash and £10m in bank guarantees) is to have a long-term future.

Yesterday he was hopeful. He said be was talking seriously to a number of big potential investors in both the Northern Ireland manufacturing concern and the parent company which sells the car in the U.S.

The rise and fall of De Lorean Motor Company

- October 1975: De Lorean Motor Company is formed in Michigan by John Z De Lorean Corporation to design and develop the De Lorean sports car and set up a U.S. dealer network.
- July 1978: DMC enters agreement with then-Labour UK Government to set up manufacture in Belfast with £53m in loans, grants and equity.
- October 1978: First ground broken at Dunmurry, Belfast, site.
- 1979: Lotus Cars used to develop final version of car for production.
- July 1980: De Lorean misses scheduled production start-up as a result of development problems.
- August 1980: A further £14m loan is negotiated with Government, leading to political criticism of Government's decision to provide it.
- February 1981: production getting under way, bnt row breaks out over De Lorean claim that the £14m loan of the previous year should have been treated as grant. Relations between the Government and De Lorean become strained.
- February 1981: Government agrees to guarantee £10m in bank loans.
- May 1981: car launched in U.S. to some criticism of quality but starts to sell at a premium.
- July 1981: first royalty of £¼m paid to Government.
- August 1981: public share issue to raise $28m prepared bnt postponed.
- October 1981: police probe allegations of financial irregularities, bnt company is cleared of criminal misconduct.
- November 1981: sales start to falter, provoking cash flow difficulties.
- January 1982: more modest share flotation abandoned. De Lorean applies unsuccessfully for £35m in export credits. At end of month, company makes 1,100 workers redundant.
- February 18 1982: De Lorean board meets Northern Ireland Secretary James Prior for "decisive" meeting on company's future.
- February 19 1982: Voluntary Receivership announced.



JOHN DE LOREAN

The immediata problems confronting the receivers now include how to persuade the company's several hundred suppliers not to cut off such supplies as are still needed for a much-reduced level of output. Most of them are based in the UK, with the notable exception of Renault, which provides engines and transaxles.

Equally urgent is the question of securing immediate funds to keep the operation ticking over.

Sir Kenneth wants to avoid shedding any of the plant's workers. He said he would apply to the Government for a short-term grant of working capital. But, at the same time, Mr Prior was making it clear in the Commons that no further financial help would be available.

The company is understood to have run out of cash and to owe about £31m to suppliers, some of whom have not been paid for up to nine months.

Mr De Lorean is understood to have offered to put in $5m (£2.7m) of new resources, under conditions the precise details of which remain unknown. The company's revenue of just under £500,000 last month from the sale of 340 cars must also be set against a wage bill of about £600,000 a month alone if the workforce is not to be cut back sharply. No one yet knows what the effect of receivership will be on sales.

The rescue attempt is being made through a new trading company which is being established immediately. The hope is that—since the receivership was voluntary, requested by the De Lorean board itself rather than by creditors—the confidence of would-be buyers of the car will not be too badly damaged.

That hope constitutes a moot point. Just before he left for the U.S. yesterday morning, Mr De Lorean acknowledged that receivership "is a devastating word." The American public, he suggested, "doesn't understand the difference between voluntary and enforced receivership."

In the circumstances, Sir Kenneth's estimate of the time available for finding a big new investor appears generous. The main hope seems to lie with a group of U.S. investors on the West Coast, who remain unidentified but who are believed to be capable of furnishing most of the sum required and to include private banks. "The names they are indicating as being behind the syndicate are very substantial," said Sir Kenneth.

A lot more than cash depends on the receivers' success. Unemployment in Northern Ireland is over 20 per cent, with levels of nearly 45 per cent in Catholic areas close to the Belfast plant.

The 1,500 remaining jobs at De Lorean—1,100 workers were paid off a week ago—are desperately needed. Estimates of the consequent job losses among UK suppliers range between 4,000 and 7,000. Many of the lay-offs will be in the West Midlands components industry, which has already lost thousands of jobs through contraction in other parts of the British motor industry.

Among the biggest suppliers are British Steel, which provides stainless steel for the car bodies, and which is understood to be owed about £2m; GKN, which makes the cars' steel backbone chassis and some mechanical components, and is believed to be owed about £1m; Lucas Girling; Goodyear and nearly 300 smaller suppliers.

The biggest private creditor however, is Renault, which supplies the cars' V6 engine and transaxle. The company did not comment yesterday on what it was owed, but its supplies are covered by French government export guarantees.

Trade Indemnity, the UK credit insurance concern, confirmed that it is covering about £1m of trade credit to De Lorean, mostly to do with one leading unidentified British supplier.

Much the biggest creditor is the British Government. It is owed a total of £20.7m for loans, and stands guarantor of £10m in private bank funding. The rest of the total government £77m backing is made up of a £17.757m equity stake in the Belfast manufacturing subsidiary and about £19m in grants.

The Government holds first lien on the Belfast plant and all its equipment. Thus, in the event of the receivers securing a buyer, it will either lease the assets to any new owner or sell them, or will receive a share payment from the receivers in the case of their sale.

Whatever the result of the receiver's efforts, if the company does survive as a going concern, it will be at a level of output half of the planned 20,000 annual volume, at best.

The U.S. market perceived for the cut is now about 8,000, at which level the company is regarded as viable, with 1,500 workers.

As for Mr De Lorean himself, Sir Kenneth wants him to continue to head the selling operation in the U.S., although the terms are not yet clear.

"He is uodoubtedly a salesman," says Sir Kenneth, "and he did have the dream."

Daily Mail fined for contempt

THE PUBLISHERS of the Daily Mail were fined £500 in the High Court yesterday for contempt of court in publishing an article on "the sanctity of life" during the mongol baby trial last year. But no penalty was imposed on the newspapers' editor, Mr David English, who had also been found guilty of contempt.

Lord Justice Watkins said Mr English was away from the office when the article, by Malcolm Muggeridge, was being prepared for publication and could not in any way be said to be personally responsible.

The article appeared on the third day of the Leicester Crown Court trial of Dr Leonard Arthur, who was subsequently acquitted of attempting to murder a mongol baby.

Lord Justice Watkins said: "The absence of bad faith has weighed very heavily in favour of both the editor and tha owners of tha Daily Mail." But he added: "We feel that discretion demanded a sharper cutting edge to the editorial knife."

- Journalist Jack Lundin, who refused to reveal his source of information while giving evidence at a trial involving the Ladbroke Casino corruption affair, was cleared of contempt of court yesterday.

The High Court in London ruled that revealing the source of a document, which bad coma into Mr Lundin's possession, "could have served no useful purpose."

Pension fund policies defended

BY CHRISTINE MOIR

MR JOE GORMLEY, retiring president of the National Union of Mineworkers, said yesterday that pension funds should not be used as a political instrument.

Speaking at the National Association of Pension Funds' Investment conference in Eastbourne, he criticised plans by the TUC for statutory direction of investment of the country'a £50bn pension fund assets. "In considering an investment policy you have to do the best you can for the pension funds' members," he said.

The obligation of a trustee to look after his beneficiaries "must never be overthrown to suit the whims and fancies of those who think it would be politically nice to see what they could do with the money."

Mr Gormley, who has been a trustee of the National Coal Board's Mineworkers Pension Scheme, said that at every TUC meeting on the subject he had made it clear that the responsibilities of a trustee should not be over-ridden.

The TUC wanted to limit the amount of investment abroad by the financial institutions as a way of recycling money into British industry, he said. As a trustee, he also wanted to support British industry. But, Mr Gormley said, it was proper to seek overseas investments if there were funds to spare and there were no good investment opportunities at home.

Regarding the NUM fund, he said, it had "never lost an opportunity to make a good investment in British industry through lack of money."

Mr Gormley said he was enthusiastic about opportunities to invest in small new companies. His fund had held seminars around the country to make itself known to small businessmen. Bnt, he warned, investments had to be made with a view to achieving a proper return for members. "We can't prop up every lame duck."

BL plans to use more robots

BY DAVID FISHLOCK, SCIENCE EDITOR

BL BELIEVES its factories have about one-fifth of the total number of robots installed in Britain, and expects its robot production to grow by about 30 per cent a year during the 1980s.

This was disclosed yesterday by Mr Mike Kelly, manager of BL Technology, at an IBM conference on Science and the Unexepected at Heathrow near London.

IBM said it was working on a robot with seven degrees of freedom that could respond to spoken commands in ordinary production line language and could make a correct selection from a bundle of parts.

Mr Kelly, who called today's factory robots "automated spanners," said that at £50,000 to £60,000 they were five times too expensive. Nevertheless, BL intended to install £1-2m worth of robots a year at today's prices.

Mr Kelly said that robots which were operated on a two-shift basis did the work of two peopla, but in BL's experience they did not displace people from jobs.

He believed BL would be recruiting skilled craftsmen for its robot development team to teach the robots their skills.

The investment could be justified on the grounds that robots function in the more hostile parts of the production line, need less space, raised the quality of the product and improve prodnctivity. Robots removed the excuses for faults, Mr Kelly said.

They improved quality becanse they were more demanding about the accuracy of the parts they were given to assemble. Furthermore, BL had found that in the case of arc welding, robots could raise productivity as much as threefold.

One particularly cost effective use of robots was in paint spraying of car bodies because robots unlike humana, do not need to be provided with special costly ventilation facilities. They would also enable BL to use new paints which were toxic but which would not flake off when bodywork was dented.

Metal Box to close plant and cut jobs elsewhere

BY GARETH GRIFFITHS

METAL BOX, Europe's largest packaging company, is to close a factory in South London and slim down the workforce at plants at Aintree, Merseyside, and at Clapton, East London, with a total loss of 388 jobs.

The redundancies are in the company's general line division and follow a 10 per cent reduction in the workforce there last year. Metal Box plans to shift some of the production from the Bermondsey, South London plant to two other plants in London at Palmers Green and Clapton. It is investing £1.5m in the two plants with particular emphasis on printing facilities. Metal Box is investing £4.5m in the general line division during 1981/82.

The company said yesterday that its South London factory at Riley Road, Bermondsey, would be run down during the year. Metal Box decided the site was too hemmed in by residential property for future investment. Redundancies at the plants in Aintree and Clapton will be phased through until the late spring.

Metal Box has been hit by a fall in demand for containers. The general line division makes containers for the cosmetic, pharmaceutical and household sectors. The company estimates that demand for its general line products is down by some 10 per cent compared to that in the late 1970s.

Metal Box has reduced its workforce considerably over the past three years. During the last financial year, it shed 13.6 per cent of its workforce and now employs some 26,500 in the UK 8,000 in the 16 UK factories of the general line division.

- A GOLDENLAY egg station run by Thames Valley Eggs at Loddon in South Norfolk is to close at the end of April with a loss of 34 jobs. The company said that small units such as this were too costly.

Wales air link takeover

BY ROBIN REEVES, WELSH CORRESPONDENT

TWO COMPANIES based in Wales, Kraken Air and Dovey Aviation, have agreed to take over running the daily air link between north and south Wales from March 1.

Euroair, which has operated the service since last year, announced earlier this month that it was to withdraw from the route, not least because of the loss of a Post Office contract. A previous attempt by another company, Air Wales, to operate the Cardiff-Chester route failed after 18 months.

News that the link will be maintained was warmly welcomed in the north Wales county of Clwyd, which provides a £30,000-a-year subsidy of the service. Mr Mervyn Phillips, the county'a chief executive, said the success of the route was important for attracting new industry to Clywd.

LABOUR NEWS

Bathgate workers accept Leyland plan for survival

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

THE WORKFORCE at Leyland Vehicle's Bathgate plaot near Edinburgh voted yesterday to return to work after a month-long strike, and to accept a management survival scheme.

The 3—1 vote at a closed meeting inside a disused factory not far from the Leyland plant, followed Thursday's decision by Leyland truck plants in Lancashire to end strike action.

Mr Jim Swan, the shop stewards' convener at Bathgate, said later he was disappointed the workforce had not gained tbe security that was needed for Bathgate and the surrounding West Lothian area.

He hoped the workforce had not "taken a vote that they will regret."

Leyland's survival scheme was drawn up after a heavy fall in world demand for trucks. According to the plan, 1,360 of the 3,600 workers at the Scottish plant are to be made redundant.

Leyland plans to aell its tractor production at Bathgate and transfer the production of medium-weight trucks to factories in the South. Truck production would be limited to two large models for export.

Bathgate is also to be developed as the major engine production centre for trucks prodncing a "world engine" to be developed jointly with an outside company and introduced in 1985.

Leyland bas said that about 1,000 workers have asked for voluntary redundancies, with tractor workers taking advantage of enhanced redundancy payments offered because of the end of tractor production.

Mr Swan said his members were frightened back to work by threats from the company. They had also been infinenced hy the Leyland and Chorley votes.

Mr Swan and fellow union leaders at Bathgate remain convinced that Leyland plans to shut down the Bathgate plant. They said that hringing the "world engine" into production in 1985 would leave the factory producing tha long established 98 series of engine, and its production could easily be shut down.

The shop stewards bave also argued that producing the Landmaster and Landtrain beavy trucks for export could eventually mean less jobs as more Third World customers started their own assembly operations and required only trucks in kit form to be produced at Bathgate.

Angry rail guards call for flexible rostering rethink

BY PHILIP BASSETT, LABOUR CORRESPONDENT

ABOUT 100 railway guards staged an angry lobby outside their union'a London offices yesterday, in protest at their union's agreement over flexible rostering.

The guards, members of the National Union of Railwaymen, also staged unofficial strikes yesterday which hit services into Loodon on the Eastern and Western regioos—on the day the train drivers' strikes, over the same issue, formally ended.

The NUR men's action bad less effect than expected because of the return to work by drivers belonging to the Associated Society of Locomotive Engineers and Firemen.

The guards who lobbied their union beadquarters, demanded a meeting with Mr Sid Weigbell, tbe NUR general secretary, to get a special executive meeting to be called to reconsider the guards' flexible rostering deal.

This was refused and after a stormy meeting with them, Mr Weigbell—who bas staked all his professional weight on the flexible rostering deal—acknowledged that little seemed possible to persuade the rebel guards that there were many positive aspects to the agreement.

The guards' representatives will meet again on Monday, at which calls for more unofficial action over the issue will be discussed.

The NUR also confirmed yesterday that it would be delivering to BR formal notification of its 1982 pay claim next week, which has been delayed because of the Aslef strikes. The claim will call for a substantial increase in pay, shorter working time and improved leave entitlements.

A similar formal letter was submitted some time ago by the white-collar Transport Salaried Staffs' Association, but Aslef leaders have been too preoccupied in the strike to bave drawn up their claim yet.

● The two railmen who made allegations about abuses of the work arrangements on BR were yesterday dismissed. Both will appeal.

Monetarism opposed by unions

By John Lloyd, Labour Editor

LEADERS of U.S. and British trade unions yesterday affirmed their opposition to the monetary policies of both their Governments.

A statement issued after a meeting of the economic committees of the TUC and the AFL-CIO in Miami said that "the common ideology dominating both Thatcherism and Reaganomics has prodnced economic folly in both the UK and the U.S."

The two bodies called fgor a range of measures by both Governments. These inclnded:

● Fnll employment and economic expansion as priority goals.

● Public expenditure to play a key role in the economy.

● The reversal of tax policies which "reward the rich" in both countries.

● The sustaining of special programmes to protect the elderly, the unemployed and the disadvantaged.

● Defence programmes which should not be funded at the expense of social programmes.

The meeting of the two organisations is one of an annual series in which the economic committees of both exchange views.

● Mr Bill Keys, general secretary of the Society of Graphical and Allied Trades, said last night that unions would be using "all the means available to us" to fight the forthcoming employment legislation.

He told a rally in Manchester that unions should refuse to participate on ballots on tha closed shop or accept money to conduct ballots within unions.

Mr Norman Tebbit, the Employment Secretary, yesterday denied that his legislation was designed to destroy trade unions.

He told the London Diplomatic Association that "our bill is a further modest step in the reform of industrial relations law.

"All we are seeking to do is to curb industrial action which has nothing to do with an industrial dispute or which is aimed at innocent third parties."

BA mass meeting set for Monday

By Brian Groom, Labour Staff

THE 2,000 British Airways ramp workers in dispute at Heathrow Airport are to decide at a mass meeting on Monday whether to return to work.

The Press Association news agency yesterday quoted an unnamed ramp workers' ahop steward as saying: "It now seems almost certain that there will be a vote for a return to work unless there is more support over the weekend, and that seems highly unlikely."

Their leaders reacted angrily to suggestions that their 11-day-old action was on the verge of collapse.

Mr Mike le Cornu, speaking for the workers douhted whether any steward would have made such a statement, and added: "Somewbere, someone seems to be trying to subvert this action."

The dispute is over a refusal to operate new work schedules which BA wants to introduce in order to implement voluntary redundancies.

It is clear the workers' action has had nothing like the impact they had sought. Loaders on inter-continental services at Terminal 3 yesterday staged another one-hour stoppage in support of their colleagues in dispute who operate the European and domestic terminals. It caused few delays.

BA yesterday operated 87 per cent of sbort-haul flights with the help of volunteers. Today, it hopes to operate just over 90 per cent, and tomorrow 95 per cent.

Semtex dispute made official

By Robin Reeves

The 11-week old dispute over the planned closure of the Dunlop Group'a Semtex floor covering factory at Brynmawr South Wales, was yesterday given official backing by the Transport and General Workers Union.

The decision to declare the dispute official came on the eve of a meeting of shop stewards from 25 Dunlop plants throughout the UK in Skelmersdale, Lancashire. They are due to discuss sympathetic action in support of the 450 workers at Brynmawr who have been occupying the factory.

THE WEEK IN THE MARKETS

Radioactive offer goes critical

LONDON

ONLOOKER

There was only one question being asked in the City during the week: "How many have you applied for?" There was no need for amplification. Brokers, to a man, become stags when there are tempting plums like Amersham about and the clearing banks, helped by the Bank of England, were on band to help.

Stagging possibilities aside, domestic UK conditions have looked right for further sbare price strength in the first leg of the new account. Sterling is firm, liquidity is freely available, the contestants for control of Associated Communications Corporation kept the pot boiling and there was the big annual investment analysts' dinner at the Grosvenor House to look forward to. But shares refused to enter the spirit of things and Financial Times Industrial Ordinary ahare index kept drifting backwards. Primarily it was the renewed rise in U.S. money rates that spoiled things.

The market has heen working on a thin diet of company news recently, although there will be something rather more substantial to chew on next week when industrial majors such as ICI report.

Amersham stampede

Pictures of a princess in a bikini looked to be top on the list of gossip until the Commons got wind of the results of the Government's offer for sale of the shares in Amersham International.

The £71m offer attracted roughly £1.5bn worth of applications for the 50m shares in Amersham which is engaged in the high technology business of packaging radioactivity. The heavy oversubscription—at least 20 times—led to an nproar in the Commons with one opposition MP predicting that the share sale could hecome "the financial scandal of the year."

This is the third time in a row that a public offer of shares in a state-owned company has been beavily oversubscribed. A year ago, the offer of balf the shares in British Aeropace for £150m attracted over £500m worth of applications and in November the £224m sale of just under half the shares of Cable and Wireless attracted £1.26hn. Both shares attained healthy premiums in early dealings.

The queue of hopeful applicants for Amersham shares started up before dawn last Thursday outside the Drapers Gardens office of the National Westminster Bank in London. Only hours later, stock market dealers were ready to predict a premium of around 45p on the shares, sold at 142p. Dealings begin on Thursday.

As some 250,000 applicants await their allocation of sbares, the debate rages over whether the offer sbould have been on a tender basis, rather than at a fixed price. A tender would have rednced the potential for stagging, but energy ministers apparently felt that a tender would have favoured large financial institutions over the small investors who might have heen less able to judge an appropriate price.

The next proposed sale of a government-owned business is Britoil, the oil exploration and production side of BNOC, which should provide more grist for spirited public debate.

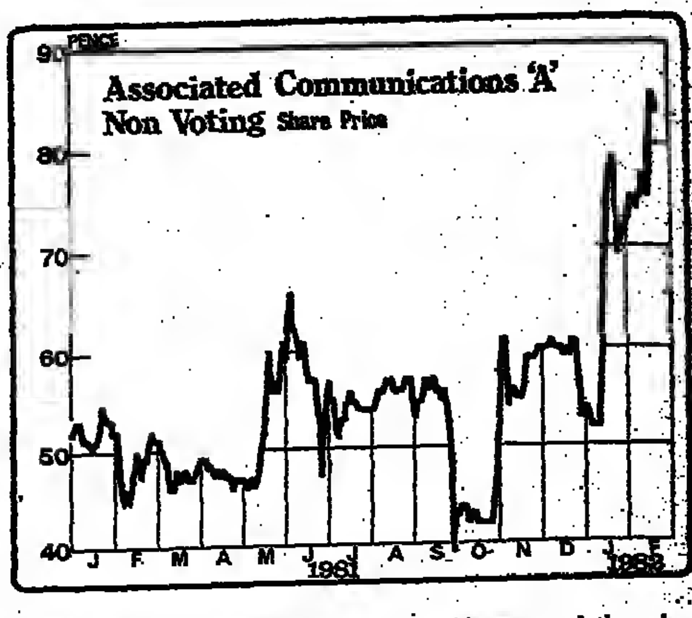
ACC action

Brett Maverick would have been impressed at the stakes and the condnct of the play. The Australian entreprenenr, Mr Robert Holmes à Court, opens the game. He buys a 51 per cent shareholding in the non-voting shares of Associated Communications Corporation, the troubled entertainments empire built up by Lord Grade. He then persuades Lord Grade that he should be elected to the board and be allowed to buy up to 3 per cent of the highly prized voting shares, held mostly by ACC directors.

Next hand: the Australian looks at the books of ACC, and decides that the company is in need of extensive support. He explains to the board that tha company is io deep trouble. His price for his business interests supporting the company through a takeover are the departure from the chair of Lord Grade and his own appointment and the promise of the directors of ACC not to frustrate the offer. Moreover, he needs their acceptance, to the tune of nearly 64 per ceot of the voting shares, of whatever offer he makes if the bid is to proceed.

Mr Holmes à Court is prepared to offer £36m. The board accept, Lord Grade steps down. Enter Mr Gerald Ronson, the self-made millionaire who bas built Heron Corporation into one of the UK's most successful private companies. He indicatea to the board and Mr Holmes à Court that he is prepared to offer £42.5m for tbe compaoy subject to an investigation into the group's affairs and his assuming the role of chairman and chief executive. He is turned down. When the cards have bean dealt again Mr Ronson formally offers £46.6m and launches legal action to stop the transfer of voting shares to the Australian. Mr Holmes à Court then says that he is prepared to match Heron'a £46.6m offer last weekend. On Thursday Mr Ronson says that be is prepared to offer £49.4m.

As one appeal court judge reviewing the Heron legal action observed: "It may be that these proceedings will eventually serve some useful purpose." Your play, Mr Holmes à Court.



Dalgety digests

Compared with a pretty aoggy first half 12 months ago, Dalgety has been able to show worthwhile improvements almost everywhere. Pre-tax profits for the six months to December are up by a fifth to £19.6m.

In the UK there are increasing payoffs from the work done to integrate and rationalise Spillers. The reorganisation of Spillers' animal feed operations has now been completed, and thanks to price rises in the last couple of months profits should leap ahead this year. On the other side of the balance, there has been stiffer competition in a range of Dalgety's UK markets, from cakes to canned pet food.

In the U.S. a troublesome frozen food business has been turned round, and Modern Maid —which gave Spillers a bumpy ride—continues to improve. Exchange rate movements helped produce a modest increase in Australasian earnings but Canadian lumber is still depressed.

Dalgety's trading profits could top £85m this year (against £75m) and there is further recovery in the pipeline. But getting on for half of this revenue goes to meet the interest charge, and retentions are minimal—just £3½m in the first half, before extraordinary items.

At £254m Dalgety's gross borrowings in December were only just ontweighed by shareholders' funds, and the company probably now shares the City view that it would do well to reduce gearing. Yet a rights issue would pose problems since share capital has already trebled in the last five years and current cost cover for the existing dividend is poor.

Asset disposals therefore seem more than likely, with an Anstralian coal mine and the U.S. frozen food business tbe most plausible items to figure in the group's sale portfolio.

Birmid's bounce

Birmid Qualcast has shed excess capacity, it has closed or trimmed loss-making operations, and this week told shareholders that the major part of its stabilisation programme has been completed.

The effect has already started to show through clearly in the profit and loss account for the year to October 31 in which a first-half deficit of £1.81m has been followed by a pre-tax surplus of £3.45m The balance-sheet is ln better shape, too, with gearing down to 30 per cent against 44 per cent in the autumn of 1980. That would shave about £1m off the interest charge this year and there is a very good chance that Birmid will make £6m before tax for 1981-82 and perhaps more.

Tho shares have responded well and left the rest of the pack behind, according to Datastream, during the week with a 26 per cent rise to 32½p by the close on Thursday.

That looked fine as far as it went but the question the City has been asking industry is whether engineers like Birmid are now going to grow because demand is rising again or are they still forced to live on their cost-cutting wits in depressed markets. The answer from Birmid chairman, Mr James Insch, and his colleagues is quite blunt. Conditions in big slabs of the business are still very difficult.

The foundry division accounts for just over half the £178m turnover total but its trading contribution has shown a doubling of losses to £3.1m. The motor business, which takes the bulk of Birmid's castings, is still weak and the group does not expect to get back to an acceptable level of profitability until trade picks np. The engineering operation, which has now been merged with the scaffolding interests, is telling much the same story.

The picture is rather brighter where Birmid is selling more directly to the consumer. The lawnmower market as a whole is static but the divisional contribution has risen by about £1m before tax and interest to £4.35m. The story here is one of hard work on the marketing front, Potterton is reaping the rewards of much reorganisation and its profits have climbed from £2.49m to £4.31m. Here, too, however, demand is not getting any better.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1981-82 High	1981-82 Low	
F.T. Govt. Secs. Index	66.19	+ 1.15	70.61	60.17	Good demand
F.T. Ind. Ord. Index	562.3	− 8.2	597.3	446.0	Activity in second-line stocks
F.T. Gold Mines. Index	261.3	−22.8	429.0	261.3	Fall in bullion price
ACC "A"	81	+ 6	85	39	Bid situation
Birmid Qualcast	31½	+ 5½	32	18½	Preliminary figures
Blue Circle	496	−28	550	326	Weak on Mexican interests
Bowater	254	+14	286	171	Bid/dawn raid rumours
Comet Radiovision	107	−16	164	98	Brokers' downgrade forecasts
Dobson Park	80	− 7½	119	73	Chairman's profits warning
Eagle Star	376	+23	390	221	UK bid or merger hopes
Geers Gross	132	+18	150	52	U.S. acquisition
Gillett Brothers Discount	155	−20	290	130	Poor annual results
Goodman Brothers	19	+ 7	24½	8	Bid speculation
Impala Platinum	285	−35	455	280	Poor results/weak metal price
ICI	336	−10	352	226	Annual results next Thursday
Inter-City Inv.	49	+14½	60	9	Hopes of bid from Metan
Lloyds Bank	486	+18	486	292	Pleasing annual results
Nimslo	222	+42	235	140	Camera marketing in U.S.
Pleasurama	400	+37	427	182	London casino acquisition
Reliance Knitwear	30	+ 5	33	16½	Good int. results

'Bumping along the bottom'

NEW YORK

DAVID LASCELLES

THE BIG QUESTION this week was whether the New York Stock Exchange bad finally hit bottom after nearly ten months of decline. The question had less to do with wbether U.S. economic prospects have got rosier (which even Mr Reagan seemed to donht at bis Press conference on Thursday) than with what analysts call "the technicals."

The Dow Jones Industrial average set a two-year low of 824 last September. After that it rebounded a bit. But this week it sank back to that level. On Tuesday it actually plunged during the day to 820 in a delayed fit of shock at the latest money supply figures but managed to scramble hack to close with only a minimal loss.

But trading continued to be nervous for the rest of the week as Wall Street watched the market "test" its low. Some analysts felt the level might hold given the extraordinary values that many shares represent by historic standards with many once-glamorous stocks trading close to the 52-week lows. These analysts seemed to doubt however, that a rebound is in sight—more of a "bumping along the bottom."

But others are still bearish. The huge economic and fiscal uncertainties besetting the U.S. do not seem to be inspiring much investor confidence, and they see the Dow breaking through 824 to find a new level in the high 700s.

Mr Reagan's Press conference was greeted on Wall Street with mixed feelings.

His valiant efforts to patch up his differences with the Federal Reserve Board over monetary policy helped. His ringing endorsement of Mr Paul Volcker, the chairman, was in sharp contrast to his wishy-washy neutralism at his previous Press conference only a month ago. The Administration now apparently bas full confideoce in the Fed and is no longer worried that its money supply targets are too low to allow a decent rate of economic growth.

But while this suggests that the political tensions between the White House and the Fed will ease, some sceptics doubt that the truce can last. If the Fed sticks to its current policies, interest rates are likely to remain high, and economic recovery will be slow. Mr Reagan himself obviously has worries on this score. He described himself as only "cautiously optimistic" about the outlook and refused to be pinned down on the timing of the recovery.

The latest evidence on the economic front was not encouraging. Industrial production was down 3 per cent in January, according to the latest report, and the banks raised their prime rates from 16½ per cent to 17 per cent on Wednesday, apparently unable to hold the line against the sharp increase in short-term interest rates.

But interest rates showed signs of easing in the later part of the week, largely because the Fed seems to be leaning over backwards to try to keep credit pressures under control. If next week is as encouraging, the Prime may bave reached its peak for the time being.

The travails of corporate America were hrought home to Wall Street with some force again this week. Ford Motor, the second largest car company, reported a 1981 loss of $1.06bn, which was a bit better than its $1.54bn loss in 1980 but obviously no cause for rejoicing. Ford's fourth quarter performance was also worse than 1980's because of the severe slump in car sales.

International Harvester, another trouble spot, showed a worse loss than expected in its first quarter, $297m compared to $105m the year before, and cut some of its employees' pay.

Eveo mighty American Telephone and Telegraph served the market a disappointment. The giant utility, whose shares bave been bid up since it reached its historic anti-trust settlement last month, failed to increase its $1.35 quarterly dividend. That knocked the price back a couple of dollars to 56.

The photographic business is also taking a punch from the worldwide recession. Kodak and Polaroid reported lower earnings.

But some stars shone as well. Warner Communications, the entertainment company which has taken a commanding lead in the home video games business with its Atari subsidiary, is trading close to its 52-week high of 63.

Procter and Gamble, maker of everything from disposable nappies to soap, has also been bucking the trend at a recent high of 84. This means P and G shares have recouped all the loss they sustained after the company was forced to recall its new Rely tampons and take a $75m write-off last year after they were associated with tha toxic shock syndrome disease. P and G also held a rare meeting with financial analysts at its home town of Cincinnati, Ohio, this week which triggered speculation of some juicy announcement. But none came. The traditional tight-lipped company delivered a few platitudes about the need for growth and social responsibility, and in 55 minutes it was all over.

MONDAY: Market closed		
TUESDAY	831.34	−2.47
WEDNESDAY	827.63	−3.71
THURSDAY	828.96	+1.33

We all saw it coming, but it still hurts

MINING

KENNETH MARSTON

"THE IMMEDIATE outlook is thus for a very substantial fall in group earnings," said Sir Roderick Carnegie last May at the Melbourne meeting of CRA, the Rio Tinto-Zinc group's 57 per cent-owned Australian arm.

And any feelings that he may have been over-playing the seriousness of the situation have heen dispelled by the sharp falls in profit announced since then by all the group's subsidiaries.

So the share market was not surprised on Thursday to learn that after making a profit of A$16m (£9.4m) in the first half of last year CRA lost A$3.52m in the second half. As a result total earnings for the year come out at a relatively meagre A$12.48m compared with A$173.2m in 1980.

Thanks to the sale of the interest in Blair Athol Coal there is a gain of A$13.7m to be added into the lastest profit. But this still leaves earnings at the equivalent of 6 cents (3.5p) per share which only just covers the year's dividend of 5 cents. CRA paid 19 cents for 1980.

Inevitably, the poor results reflect depressed metal prices, the adverse effects oo income from overseas of the strength of the Australian dollar, atrikes, increased costs and higher interest charges. Despite all this gloom, however, there was no major deterioration on the operating side in the second half.

Where CRA came unstuck was in the realm of metal market dealings. In the first half the group correctly anticipated movements in silver prices and by making forward sales it realised a profit of A$17.7m. These transactions went wrong in the second half, however, to produce a loss of A$5.6m in the period.

So what happens next? At the moment few major mining groups are able to make a profit with the depressed metal prices. But at least there are signs that the prices may be bumping along the bottom and with production cutbacks and no hurden of heavy stocks, metal prices would be very responsive to an improvement in demand.

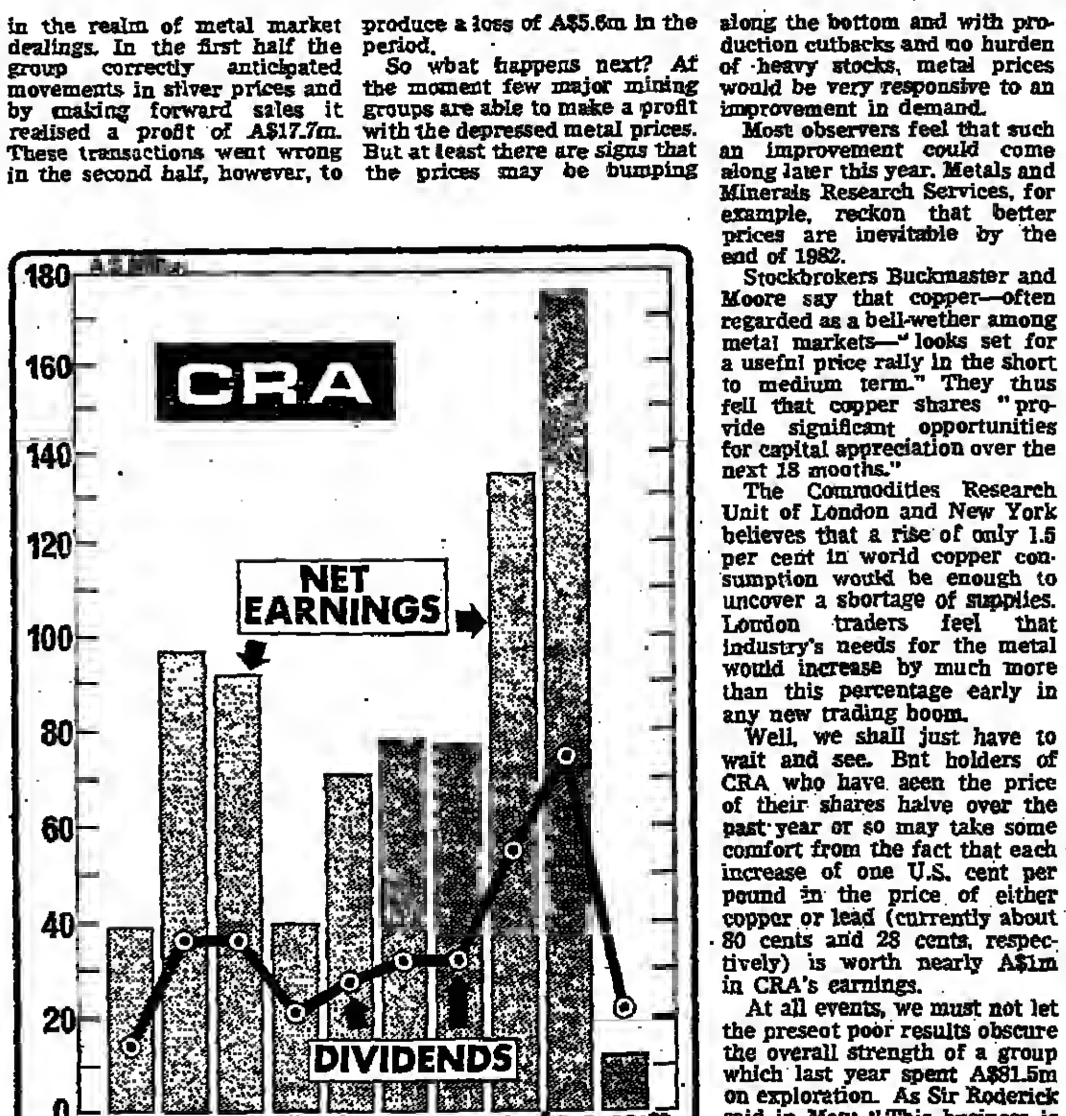
Most observers feel that such an improvement could come along later this year. Metals and Minerals Research Services, for example, reckon that better prices are inevitable by the end of 1982.

Stockbrokers Buckmaster and Moore say that copper—often regarded as a bell-wether among metal markets—"looks set for a usefnl price rally in the short to medium term." They thus fell that copper shares "provide significant opportunities for capital appreciation over the next 18 mooths."

The Commodities Research Unit of London and New York believes that a rise of only 1.5 per cent in world copper consumption would be enough to uncover a sbortage of supplies. London traders feel that industry's needs for the metal would increase by much more than this percentage early in any new trading boom.

Well, we shall just have to wait and see. Bnt holders of CRA who have aeen the price of their shares halve over the past year or so may take some comfort from the fact that each increase of one U.S. cent per pound in the price of either copper or lead (currently about 80 cents and 28 cents, respectively) is worth nearly A$1m in CRA's earnings.

At all events, we must not let the preseot poor results obscure the overall strength of a group which last year spent A$81.5m on exploration. As Sir Roderick said in May: "This business is not about the short term ... the directions ahead for CRA are exciting."



Moving on to precious metals, we come to the affairs of the Gencor group's Impala Platinum in South Africa which with its rival, Rustenburg Platinum, and Canada's Inco accounts for the bulk of the Western world'a platinum production. The other major source of the metal is the Soviet Union.

Like everything else, platinum demand is being stifled by the world recession. To make matters worse for the Western mines, they are still selling the metal on the hasis of their producer price of $475 per troy ounce which compares with only $355 on the free market which is supplied by the Russians.

Little wonder then, that Rustenburg has already warned of a "severe" fall in profits for the first half of its financial year to August 31 and Impala has this week announced a drop in net profits for the six months to December 31 of R51.2m (£28.3m) from R63.6m a year ago.

Impala has cut its interim dividend by 10 cents to 25 cents (13.8p) and has also warned that earnings are going to fall further in the second half of the financial year. Clearly, platinum buyers are taking only the minimum contractual amounts from the producers and seeking any other supplies needed from the cheap free market.

The irony of the situation is that the producers bave tried to maintain steady and reasonable prices for their metal and for long periods in the past have been selling it at prices well below those on the free market. Rustenburg's Mr Gordon Waddell has said that there is no point in reducing the producer price because this would only lead to fresh weakness on the free market.

Just how long this situation can last depends on the loyalty of the Western mines' customers and the world economic scene. The producers are no doubt boping for a recovery which would quickly push up the free market prices and put the situation to rights.

In the meantime, holders of Impala must steel themselves for a sharp reduction this year in the previous dividend total of 110 cents. But this expectation is allowed for in the current share price which has fallen 35p to 285p this week.

The gold price has been looking shaky this week, although at $367½ per troy ounce it is still dearer than free market platinum. In Canada Mr Paul Penna, president of Agnico-Eagle, is prepared to back his confidence in the longer-term outlook for gold.

He has said this week that if the price should fall to $350-$360 he will stockpile his company's production just as he has been doing in the case of its silver output. Silver sales will not be resumed until the metal price goes above $12 per ounce; it is currently $8.60.

Agnico-Eagle's results for 1981 are not due until next month, but they are expected to show a fall in net income to the equivalent of 32-33 cents Canadian per share from C$1.30 in 1980 when earnings were C$18m (£8.1m).

Fortunately, operating costs are expected to fall this year to US$205 per oz of gold, but the bullion price will need to average US$450 per oz in order to maintain the company's gold revenue.

YOUR SAVINGS AND INVESTMENTS—1

Rosemary Burr reports on a stock market sage

Gordon's golden rules

AT SEVENTY-SEVEN, Gordon Cummings' entbusiasm for playing the world's stockmarkets is undimmed. Cummings, who trained as a chartered accountant, has spent much of his working life as a financial writer. He io probably best known as author of the Penguin *Complete Guide to Investment*, which has sold 214,000 copies and the FT'o "Investors Guide to the Stockmarket."

Cummings, who says: "I've retired four times but there has always been something to get me back to London," lives at Frant, three miles outside Tunbridge Wells. Now that he is largely retired he spends the timo looking after his family portfolio and advising a few friends. He started off with a £10 holding in the mid 1920s and says "the family portfolio runs into six figures."

He has four golden rules. "One of my guidolines is to choose good companies without friends, by that I mean shares which are depressed." Then, ha says: "Be patient. Be prepared to wait. Over the years waiting has cost me very little and made me a lot."

More unusually, Cummings is prepared to "average down." That means he buys shares even if the price ia falling, if be has faith in the company. Last, but not least, he says "never be greedy. Always leave something in the sbares for the next guy." He tends to sell part of his holding as the sbares begin to rise. "I am consolidating my position all the time," he emphasises.

Cummings says his timing is rarely perfect. "I think only twice in many years have I got near the bottom and got out near the top. It is a pipe dream." One example of near perfect investment footwork was his dealing in North Kalgurli, the Australian gold mining company. Cummings bought the shares for an average of 15p in 1973 and sold them at 100p two years ago.

Of eourse, all has not been smooth sailing. "I've made mistakes. At present I'm going through a rough period as I have concentrated on natural resourees, which are a dirty word these days," admits Cummings.

So where has he put his money? "I went abroad in 1974 after toffee-nosed Ted started upsetting the economy" and nothing bas bappened since to persuado him to shift the bulk of bis funds back home: About 75 per cent of his holdings are foreign stocks with a preponderance of natural resources shares in Canada and Australia.

"I have tremendous faith in Canada. It's got almost everything." Cummings keeps up in date with the local gossip through a Canadian cousin, a retired mining engineer who shares his onthusiasm for stocks and shares.

As for Australia, he thinks the long term outlook is encouraging despite the current depressed state of the market. He argues: "It is inevitable there will be a recovery."

Having decided his general strategy, bow does Cummings go abont picking winners? The key, he suggests, is detailed *research on the company* as well as keeping up to date with brokers' eirculars and Press comment. "I get the company reports and pore over them. I dig out the essential information and rejig the balance sheet. Therei s a tendency today for the loan position to look relatively low compared to net assets. But if you look at current liabilities you find befty short-term horrowings hidden."

How would Cummings advise someone who had just won £100,000? "I'd be inclined to put half in natural resources and divide the other half between investment trusts, UK convertible preference shares and gilt-edged," he suggests.

Despite the bad Press being dealt to investment trusts, Cummings thinks the sizeable discounts on the sbares are a bullish factor. "I've got a huneb the pension funds will again be sniffing around investment trusts. They will have to pay net asset value for a ready-made portfolio. This means if you bought the shares at a discount you have a profit right away." He bas a bolding in Mercantile Investment.

On convertible preference stock Cummings reckons these are "the safest way to take a view on UK industrial recovery." The gilt-edged holding reflects his opinion that

Mr Gordon Cummings

"one of these days the international hankers and Finance Ministers will get together and decide to help the world economic recovery by a multilateral eut in interest rates."

The Far East has been a lucrative watering hole for British money in the last year hut Cummings has steered clear. "I've only had one investment in the Far East. At the moment I would be very ehary about going into anything in Hong Kong. Japan is a grey area. I fear there is going to be so much mechanisation there will be colossal unemployment. If I did go into Japan it would he through a unit trust or investment trust."

Cummings is equally scathing about what be regards as "esoteric investments" such as stamps, art and antiques. He points out the hidden eosts of storage and insurance. A few years ago be bought about £5,000 worth of stamps but a spate of burglarieo led him to sell the collection. "I was lucky I made a couple of thousand," but he advises people against following his example.

A final thought from Cummings: "I was brought up on the principle of being on the right side of Mr Micawber. I I always try to end the year with oomething on the plus side of my income."

Down Mexico way

TALK OF specialisation trips lightly off the tongues of investment trust managers searching for ways to add a touch of glamour to their funds. They are being increasingly attacked by shareholders — including some institutions who bave joined the disgruntled throng— for not doing something about the fact that investment trust shares usually sell in the market well below their underlying asset value.

Calls for unitisation are not greeted with much enthusiasm by the managers and any talk of liquidation is eonsidered close to herisy. But specialisation—that's something different. Pick a sector that the investing public thinga is a winner and the trust's image can be transformed from a dull general fund with little more to offer than its neighbour into a go-go outfit. Investment demand grows, tho market price rises, the discount narrows, shareholders are happy again and the managers have not lost any of the funds under management— at least that's the theory.

Specialisation is a bit like putting all the eggs into one basket. Everytbing may go very well, but then again it might noi.

The Mexico Fund is an example of a specialist trust which got its timing wrong. Until last summer's launch foreigners could only buy a very limited number of Mexican stocks because of government regulations. The Mexico Fund provided tha first ehance for outsiders to invest in all Mexican equities.

Initially the plan was to issue U.S.$75m of shares, but demand was so heavy that the fund was eventually launched with $120m of investors money—10m sbares at $12 a time. Six months later their price has fallen close to $6, compared with a net asset value of $7.7.

The Mexican stock market slumped in 1981 leaving year end share prices a third lower than twelve months earlier. The market was already in retreat when the trust was established but the decline accelerated and this week's upswing has been offet by the peso's fall. A rather inauspicious start for The Mexico Fund.

It is all vaguely reminiscent of the Brazil funds issued in the mid - seventies. Within months of the Brazilians opening their doors to foreign portfolio investment, five specialist funds had heen set up in Europe — three of them in the UK. First off the mark was James Capel which launched Brazilian Investments in July 1975 raising U.S.$14.84m, largely from UK institutions. Vickers da Costa followed up a few months later with Brazil Fund and Brasilvest was started by Credit Suisse White Weld early in 1976.

A few private clients went in for these trusts but it was the institutions who were the really big investors. On all three issues those investors are showing losses and interest in the sector has virtually fizzled out. Brazilian Investments cancelled its stock exchange listing in 1980 and dealings in the other two are a very rare event indeed.

Brazil Fund, floated at $12.21 a share, now shows a price in the Official List of $2-$6, and the last dealings noted took place over a year ago. Its asset value is $5.50 a sbare. Brasilvest's first tranche of shares were priced at $10,500 each. The price is now around the $8,000 mark, fairly close to asset value, though dealing is described as "dead."

The performance of the funds has not heen disappointing in local currency terms. Brasilvest is still an aetive trader and the asset base has risen 900 per eent since its inception. The Sao Paulo index has risen 630 per cent over the same period.

What has elobbered the Brazilian funds is not a failure of the equity market but the collapse of the Cruzeiro. In mid-1975 there were eight cruzeiroa to the U.S. dollar. Today the rate is 134 to the dollar. With that sort of devaluaion an investment manager has to work pretty hard to make any sort of showing in dollar terms.

Terry Garrett

Claim under inheritance act

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

My husband died last September, His former wife remarried about 6 years ago, but until two years ago he paid maintenance to ber and the two daughters of the marriage now aged 18 and 16. The only provision he made in his will was shares in his company valned at about *£30,000* from which tho income was left to me for life. Probate of the will was granted on December 8 last and the question is, do you think enough provision has been made for these two girls, as they have six months to claim under tho Inheritance Act?

Whether the girls have a claim under the Inheritance (Provision for Family and Dependants) Act 1975 will depend upon what the reasonable requirements for maintenance of the daughters may be—if they bave *such requirements*. If they are hoth working, for example, they would be unlikely to be successful in making claims; but if one or both are still in full-time education a claim is more likely to succeed. Much will depend on how the maintenance payments came to be stopped two years ago. If that was by agreement among all parties it might prevent or limit any claim. You should wait for the six-month period to expire and consult a oolicitor if proceedings aro eommenced against the estate.

Limits to right of way

With reference to my question ahont a right of way granted to a farmer over my field, which yon published under Non-use of a right of way (December 24) can the farmer give consent to contractors to carry clay and deposit it on his field? That is, does tbe right of way helong to him personally or can he grant it to others?

The right of way does not belong to the farmer personally but rather to him in his capacity as owner of some land which the way serves. He can authorise others to use the way for purposes which benefit sueh land, but not for purposes which aro not connected with bis use of that land. Thus contractors may not be allowed to use it if they are working on a site which is not the farmers "dominant land."

Losses on gilts sales

Is a loss made on the sale of gilts when sold after seven months allowablo against a profit made on the sale of ordinary shares?

Yes (provided that there was no second acquisition, which might trigger the loss-restriction rules in section 70 of the Capital Gains Tax Act 1979).

Self-employed pensions

My employment involves both the payment of salary and directors' fees. The salary qualifies for the company's *Contributory Pension Scheme* hut the fees do not.

In addition, there is a top hat Directors' Pension Scheme with all contributions paid by the company. Under these etreumstanees, is it possible to take out a "self-employed" pensian scheme in respect of the directors' fees?

You are not able to ohtain self-employed relief in resepect of an employment which is already pensionable, i.e. the company of whieb you are a director. It does not matter how inadequate the existing pension scheme may be. Your only remedy is to use your power and influence as a director to persuade your company to amend the rules of its existing scheme so that directors' fees would in future be included as pansionable remuneration. If your scheme is final salary then a change of this kind would be of substantial benefit to you because you could ignore past years knowing that your ultimate pension will be based on future peusionable earnings as increased by directors' fees.

Minimising CGT

For several years the Hambro Tax Guide bas made the following statement "each of your minor children can realise up to £3,000 of net gains *each year and pay no capital gains tax*."

My local tax inspector does not agree with this statement in relation to my two children aged 11 and 8 to whom I have given capital over several years (within tax limits) and now have realised gains. He insists on combining all the gains and eharging me tax on the total gain.

What, please, is your view?

Their success in the Ramsay caso (which no doubt you have seen mentioned in the FT over the past year or so) has encouraged the Inland Revenue to attack many artificial devices intended to minimise CGT. Your arrangement appears to be a sitting target for an attack based on Ramsay principles, so you must decide whether the amount of CGT at stake justifies the cost of professional guidance. It is unlikely that you will overturn the assessment without professional help, and unfortunately the bare facts are insufficient for us to estimate your prospects.

You should ask your tax inspector for a eopy of the free leaflet on appeals to the General or Special Commissinners (IR37).

Tax credits in 1980/81

Can you confirm that for the Tax Year 1980-82, Dividend Tax Credits in exeess of 30 per cent are valid in tho ease of a person liable to tax? *My tax Inspector thinks not*, but is giving it further thought.

All UK dividonds paid in 1980-81 carry a tax credit of 3/7ths (regardless of what the vouchers may say), by virtue of section 86(2) of the Finance Act 1972:

"The tax eredit in respect of a distribution . . . shall be equal to such proportion of the amount . . . of the distribution as corresponds to the rate of advance corporation tax for the financial year in which the distribution is made."

Pay no attention to the tax credit figures printed on the vouchers: if they are not equal to 3/7ths of the dividends, they are simply wrong and of no consequence. It is a pity that Parliament insisted that UK dividend vouchers carry these often misleading figures.

Unmarried couples

In your issue of January 16, under the heading of "unmarried couples," you answered a question asking whether an unmarried couple, *separately* taxed *and* sharing the cost of a mortgage, were each entitled to receive income tax relief on their respective halves of the loan. However, your answer was incomprehensible, possibly due to a misprint or omission, and I would ask you therefore to kindly restate it. My position is this: I will soon be jointly buying a house with my sister, and should like to know will we be able to claim relief on £25,000 each, or £12,500 each, or will only one of us be able to claim on £25,000?

We are sorry that the complex wording of paragraph 5(3) of Schedule 1 to the Finance Act 1974 was made even harder to unravel by misprints in lines 13, 29 and 36 of the quotation in our reply of January 16. The Inland Revenue themselves find the rules difficult to explain, apparently, because paragraph 13 of their otherwise helpful booklet IR11 (Tax Treatment of Interest Paid) merely tells joint mortgagors to ask their tax inspectors for an explanation. In your particular situation, if you each pay half the mortgage interest, you should each qualify for full tax relief (provided that the total joint mortgage is for £50,000 or less).

A right of pre-emption

I am proposing to sever my joint tenancy of property owned by my daughter and myself to tenancies in common and to state formally that I would give the other tenants in common the first opportunity to purchase my share at a fair market value. Is this in order?

The right of pre-emption should be expressed to be limited for a period not exceeding 21 years. It ought also to be for some consideration (eg £2 paid by each of the tenants in common) so as to form a contract. These should be registered as land charges.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

YOUR SAVINGS AND INVESTMENTS—2

Mortgages and consumer-choice

IT LOOKS es if the Office nf Fair Trading is about to support the consumer against one of the giants of the building society world. The OFT's sabre rattling about a possihle inquiry into a leading society has come at an emberrassing time for the building Societies Association.

At the end of lest year. tha Building Societies Associatinn decided to set up a consumer services committee to hendle complaints. Its first meeting. delayed by the December snowstorm, wes held a week ago. The meeting is thought to have concentrated on two niein arees: the extra ioterest charge levied by some socicties when a mortgage is prematurely paid off, and the restriction on horrower's choice in nominating an insurance company to cover the mortgege.

Society	Choice of insurer	Redemption interest charged	Valuation shown to borrower choice of 2 types
Abbey National	12*	no	
Anglia	12*	no	yes
Bristol & West	all companies	no¶	no
Britannia	10	no	yes
Chelsea	4*	†	yes
Guardian	8	2 months‖	no
Halifax	††	no	yes
Leamington Spa	society nomination*	3 months‖	yes
Leeds	3*	until end of month	yes
Nationwide	4*	no	choice of 3 types
Provincial	9*	no	no**
Woolwich	5*	no	yes

* Plus individual choice. ** Change being considered. † No for new borrowers but yes on some existing agreements. †† Automatic allocation unless preference expressed. ‖ If mortgage redeemed within five years. ¶ In certain cases 3 months charged up to maximum of £100.

Most of the complaints were made egainst the small to medium-sized societies. The hig five socicties, which collectively handle about 65 per cent of societies' lending, also came in for some criticism. One of the largeat societies hore the brunt of the puhlic's wrath with ten complaints.

The OFT says it is having "informal talks with a couple of well-known societies." Its concern centres on the inadequate choice of insurance companies given to borrowers and the general language of policies and loan agreements which it argues are somtimes unintelligible.

When it comes to choosing an insurance company to cover the mortgages, most societies give a tist and all that the borrower's preference will be considered provided the cover is acceptable. Bristol and West, by contrast, does not name any companies but simply asks the customer which one would be preferred. The Halifax end Leamington Spa assume the customer has no favourite, and will eutomatically insure the house with the company of the society'a choice unless otherwise requested.

Traditionally the societies have argued against tha borrower having a free choice, since they like to administer the policies en messe. They get paid both commission and edministrative fees from the insurance companies for doing so.

The issue of redemption interest bas also been resurrected with more people sbopping around for a mortgage.

Redemption interest is an extra Interest charge levied as a penelty against horrowers who prepay.

The big five no longer charge redemption foterest but some of the smaller societies do, as tbe table shows. As competition hots up some societies ate reassessing their stance. The Chelsea, for example, recently phased out redemption interest

Another issue—whether the customer who pays for the building society survey should have access to a copy—divides the movement down the middle. The groundswell is gradually shifting In favour of letting the customer see the survey, although some societies maintain it is too technical and may he misunderstood.

Both Leamington Spa and Anglia began showing customers surveys last year. The Provincial, which accepts the principle that customers should see what they are paying for, is now trying to come up with what it hopes is a more informetive report for the standard price.

Nationwide and Abbey National, two of the big five, have gone further and provide a chnice of report for the customer. Abbey National offers the standard plus a souped-up version described as a "condition in valuation" report.

On January 1 Netionwida presented its horrowers with three options. These were a standard report, a standard report plus structural survey, nr a standard report plus Royal Institute of Chertered Surveyors Report—described as "a four-page semi-structural report."

As the table indicates, there is still some divergence in policy, particularly among the smaller societies. There is also a difference in approach among the big five, with the Halifax putting the onus on the borrower to nominate an insurer.

The OFT says it will not be happy until there ere no complaints from the public about restricted choice of insurers.

Rosemary Burr

Sweet and sour in Hong Kong

THE VOLATILE Hong Kong stock market is again on the skids. Mid-week, the Hang Seng Index had dropped by some 13 per cent from its level at the end of January. The index recovered some ground nn Thursday but the market is still looking nervous.

Two reasons for the latest fall are fears over U.S. interest rates and the uncertain state of the Hong Kong property market. But an element of political spice has also dropped into the Hong Kong brew in recent weeks, guaranteeing more lively times for investors in the Far East.

High interest rates in Hong Kong—prime rates hit 20 per cent in October and are now at 16 per cent—bave taken their toll nn the tightly-wound property market in the last few months. This, in turn, has put pressure on the influential property stocks. The last parcel of highly-coveted Central District property went out for tender recently and in its uncertain mood the market was prepared for a price in the region of HK$3.75bn (£345m).

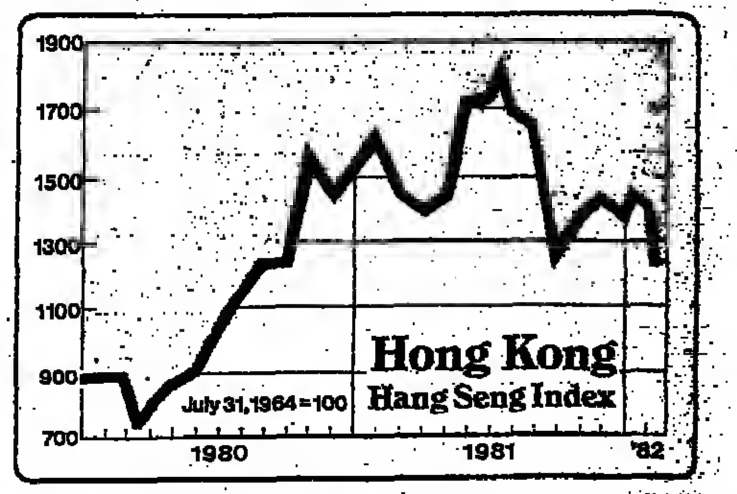
Hongkong Land won the tender a week last Friday with a hid of HK$4.75bn, a price which might have cheered the market. Instead the growth in the U.S. money supply, announced only hours later, kept the lid on the share prices.

High interest rates have a double-edged effect on the Hong Kong market as a greet deal of trading is done on borrowed money. With fresh worries about new increases in the U.S. prime, local investors continue to desert the Hong Kong stock market, moviog largely to cash deposits for their good, short-term returns.

Compounding this weakness has also been another spate of rumours over the future of Hong Kong. Many investors bailed out during the second week in February when an interview with a Chinese government official cast some doubt on whether Hong Kong would be left largely unfettered when the British lease on most of its territory expires in 1997. Since then, the Hong Kong press has been reporting more encouraging rumours with greater frequency, but they remain very speculative.

The recent sag in the Hang Seng Index has scarcely dented the enthusiasm of UK stockbrokers following the market. Many claim that selling by local investors has provided good opportunities for UK and U.S. institutions to get back into Hong Kong.

"At the moment, we believe the market is acting on psychological and sentimental factors geared to U.S. monetary figures," says a leading stockbroker following the sector, "rather than on the basic fundamentals in Hong Kong, which point to growth."



Analysts say Inflation in Hong Kong is easing and real growth this year will be around 8 per cent. The Hong Kong dollar has gained ground since it hit 6.15 against the dollar lest October. It is now at HK$5.89 to tbe dollar and HK$10.86 to the pound.

Even the ahake nut in the property market does not dismey the bulls. "Second class property is now getting second class prices, not first class oncs," says Mr Toby Heale at James Capel.

The next few weeks will bring a budget speech and a series of year-end results from major HK companies, which could give the market a new direction. Only last year, the Chinese Government advised that local investors in Hong Kong should have "their hearts at ease." While awaiting further clarification of that statement, there is slim chance the advice will be followed. Hong Kong is sure to remain a spicey spot for investors.

Carla Rapoport

Save and Prosper looks west

SAVE AND PROSPER, the largest unit trust group, thinks it has hit a winning streak with its Financial Securities Fund. As its name suggests the fund invests in financial stocks, hardly the darling nf the world bourses in recent years.

All that may be changing. Financial Securities Fund with assets of £56m came 18th in the unit trust league table last year. "The long term performance has been reasonehle but nothing to shout about" admits fund manager Christopher Tracey. He is optimistic about the future and hes beeo selling the advantages of the fund to financial intermediaries this week.

The key to his enthusiasm is the American regional hank, which at the moment can only collect deposits within its home state. During the past two years, Tracey has gradually built up the funds' holding of U.S. regional hank stocks from 11 per cent to 25 per cent. Some he regards es take-over targets while others beve earned their place as a way of buying into a thriving regional economy. The portfolio includes Security Pacific in California and nine Texan hanks.

Tracey dnes not rule nut further increases in the fund's U.S. holdings. Since last November he has switched some money out of Japan, reduced the funds' uninvested halance and channelled the proceeds into the UK and the U.S.

Tracey waxes lyrical about the 15,000 strong regional banking sector in the U.S. "It's the first decent story In the financial sector since the heyday of Slater Walker in the early seventies," he argues. Put blunty, his hopes are built on the idea that current U.S. legislation cocooning banks will be dismantled.

In the long-run Tracey thinks the archaic rules against interstate hanking will he overturned. Limitations on the type of deposits which can ettract interest will he lifted and restrictions on hanks branching out into areas such as insurance will disappear. He sees the legal restrictions on the banks collapsing like the pack of cards in Alice in Wonderland.

The upshot, according to Tracey, will he a spete of takeovers among the tiddlers of the American banking sector and healthy profits for shereholders. That would he fine for Financial Securities, with £14.9m invested in U.S. regional banks—probably the largest exposure nf a UK unit trust.

The only problem is that Tracey expects several casualties among the small regional hanks as pressures build up to alter the U.S. banking system. The risk is the fund may choose a hank which goes hust. As he admits, "there are drawbacks. You can invest In the wrong regional bank and the timing is relatively uncertain."

Tracey ls also quite bullish about certain financial shares in the UK. The fund has very little in the way of bank shares but sizeable holdings in property and insurance. "I think there will be a substantial rationalisation of UK financials" Tracey argues. He believes Allianz nf Germany will make a hid for Eagle Star and this will be followed by a re-rating of insurance composites. He also feels a number of insurance brokers and property companies are sitting tergets fnr take-overs. The fund has a sizeable holding of Exco, the money brokers, which came to the market last November.

Since the U.S. banking scene is unlikely to change radically this year, the fund's performance may well depend on its UK investments.

Rosemary Burr

High street squib

BANKS
WILLIAM HALL

THE GOVERNMENT'S new bank deposit protection scheme, launched yesterday, ia an uninspiring piece of legislatinn and is unlikely to be of much use to most small bank depositors.

The High Street hanks have always been upset by the thought that they would have to contribute to a fund to hail out depositors in some of their smaller rivals, and successfully emasculated the deposit protection scheme, before it got into the 1979 Banking Act.

Indeed it was once thought that tha clearing banks' rearguard action bad been so successful thet the authorities would not even bother to set up the Deposit Protection Board wbich will administer the scheme.

The details are as expected. A small depositor lodging up to £10,000 with one of the UK's 600 recognised banks and licensed deposit taking institutioos, will get 75 per cent of his or her money back in the event of the institution closing its doors.

The two main weaknesses of the scheme are the fact that it is limited to sums of £10,000 end then nnly 75 per cent of that amount is guaranteed by the authorities. The amounts should be considerably higher and a guarantee for the whole sum would have been mnch better.

The authorities say that a depositor has to bear some of the risk and by only guaranteeing the first 75 per cent, it gives an incentive to check out institutions and nnt just deposit money because a bank is paying balf a per cent more than Barclays.

It is most unlikely that the scheme will ever he used and tha authorities would be better advised to concentrate their attention on protecting the building society depositors. Even at the height of the secondery banking crisis all the small depositors were able to withdraw thair money on demend. Not so with the Graya Building Society. When it cloaed its doors some years ago, depositors' money was protected by the other societies but investors could not withdraw it for many months.

Zen and the art of investment

PRIVATE CLIENTS used to be tbe poor relation in the stockhroker's office. But things may be cbanging.

With the recently proposed increase in brokaraga commissions weighted heavily on smaller bargains, private investors can now expect a warmer welcome from atockbrokers.

Two firms, Capel-Cura Myers and Quilter Goodison, made their big drive to attract private clients some time ago, when it was mucb less fashioneble. According to the latest issue of Money Management, they are the two leading firms in the private client field, handling about 32,000 such accounts between them.

Capel-Cure has around 17,000 private client accounts, which provide the firm with about half its profits and revenue. In October 1979 the firm launched a £100,000 advertising campaign, and within four months received about 6,000 inquiries. "We were overwhelmed hy the response," says John Henderson, senior partner in the private clients department.

Quilter Goodison has about 15,000 private client accounts. Tony Richards, senior partner In the private clients department, explains: "A number of London brokers were sbedding private clients in the early 1970's. We made a commitment to private investors."

So long as you have about £3,000 to invest, then both firms are interested. They will want details about your tax position, other assets, and investment aims. If you have less than £25,000 to invest they will probably recommend a choice of unit trusts.

Quilter Goodison has four in-house unit trusts on offer: General, Income, International and Recovery. Capel-Cure will not put new investors into one of their six in-house unit trusts. "Rightly or wrongly we consider that would be incestuous," says Henderson.

One point to consider is how mucb control you will have over the investment. If you want to be consulted before a decision is taken, then Capel-Cure will suggest a trial period before switching to discretionary management. "We helieve in discretionary management. We get on with it. If it doesn't work, then sack us. Our discretionary portfolios of any form you like performed hetter than our advisory portfolios."

Quilter Goodison is not so dogmatic about the advantages of discretionary accounts.

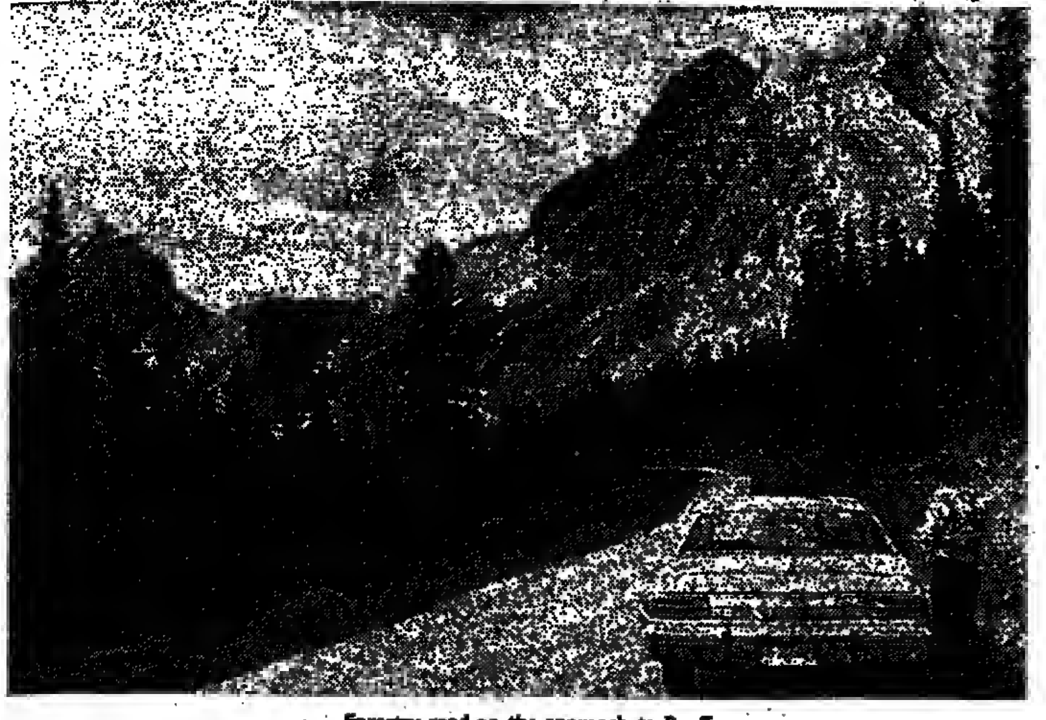
Smaller investors who object to having shares in alcobnl, tobacco or armaments companiea may find the brokers unable to accommodate them. Both firms believe that such scruples are not practicable within unit trust investments.

What do stockhrokers regard as e reasonable performance? Henderson ia sceptical about investment managers who promise wonders. "If you can match the rises in the Retail Price Index then you aren't doing badly. Anything ebove thet ia lovely." Richarda is e shade more optimistic. "We can't promise to beat inflation every year, but we are always looking to beat the Increases in the Retail Pricea Index.

"If yon are not satisfied, you can change your hroker mucb more easily than you can change your doctor," he aays. When it comes to the philosophy of investment, Mr Henderson agrees: "It is the opposite of Zen-Buddhism. What matters is not how you travel hut where you arrive."

Dominic Lawson

LEISURE



Forestry road on the approach to Banff

Canada's great outdoors

TRAVEL
SYLVIE NICKELS

"BE CAREFUL where you tread," warned one of my guides as we beached our small boat and scrambled out on to the soft sands. It was May beside the Northumberland Strait that separates New Brunswick from Prince Edward Island, and Kouchibouguac National Park's 2,000 pairs of common tern were nesting.

The sky screamed with their activities and the beach was a turmoil of strutting, displaying males still seeking mates, or those already paired returning to their partners from fishing forays. The nests, shallow scoops in the sand, were nigh invisible and you had, indeed, to be careful where you trod. An hour later, back near the reception centre, we paused to listen to the gentle tapping of a black-backed three-toed woodpecker (so I was told) from within a tree and I just missed a yellow-bellied sapsucker that alighted briefly nearby.

Wild life is one of the great attractions of the national parks, but it is only one, as you can see from a new free publication available from the Canadian Government Office of Tourism: *National Parks, a brief guide.*

There are 28 of them altogether, strung out across this vast land from the Yukon and Vancouver Island to Newfoundland and Nova Scotia, plus a considerable number of provincial ones. Each has its own characteristics: not only in terms of terrain, ecology and, in some cases, historical association, but in the leisure amenities that accompany them. They also vary enormously in size.

Common to nearly all are the camping facilities though these too vary greatly; they are detailed in another new free publication, *Guide to Camping in the National Parks of Canada.*

Commercial accommodation (hotels, guest houses, etc.) is also often available and, in many cases, full resort facilities such as golf course, tennis, swimming pools.

Most of the camp site facilities are very sophisticated indeed. Those who like to carry the paraphernalia of modern living around with them can often plug their trailers into water, electricity and sewage systems and live in a cocoon of civilisation surrounded by some of the most spectacular scenery in the world. On the other hand, there are hiking and riding trails or canoe campers' routes probing deep into that very same scenery, punctuated by so-called primitive camp sites (usually at least offering fire-places and pit privies) which fulfil the demands of the most dedicated seeker of the wilderness, including my husband, George, who does not consider a tent is a tent if you can stand up in it.

The best known and most popular national parks must be Banff, with its over 3m visitors annually, and Jasper adjoining it to the north. The trans-Canada Highway crosses Banff, rail routes traverse the Rockies through both, and the two are linked by a fabulous road from which you are a stone's throw from the Great Divide or such spectaculars as the Columbia Icefield on which you can take guided walks or a bumpy ride in a snowmobile. The facilities in Banff and Jasper parks range from the simple to the five-star and there are most kinds of sports facilities.

Many package tours to Canada include a visit to one national park or another, and some feature stays of several days. In order really to experience the great Canadian outdoors, you need the flexibility of your own four wheels and the will to expend some energy. One possibility is to take a Fly Drive arrangement, sorting out your own accommodation or making use of hotel vouchers; at least one operator also offers the option of camping equipment. Another is to go for a Motorhome holiday and carry your accommodation with you. Pick-up facilities in all cases exist in Halifax, Montreal, Toronto, Calgary, Edmonton and Vancouver. The free booklet *Canada Holidays 1982* summarises who is offering what.

Sample Fly Drive costs for two weeks to Western Canada, covering return flight and car rental with unlimited mileage, are £260-£330 (for each of four) depending on departure date and model of car. Petrol is cheap by European standards, though this is usually counteracted by long distances and rather low mpg consumption.

Most national parks collect a very nominal entrance fee per vehicle and camping charges at from $3-$7 a night are hardly extortionate. As for the choice of parks, it is sensible to do a modicum of advance homework. Canoeists who may not want to tackle the white water challenges of Nahanni, for example, may well find their ideal in the gentle rivers and lakes of Kejimkujik in Nova Scotia. Wildlifers might consider Wood Buffalo in northern Alberta whose free roaming bison herd is the largest in the world and whose river deltas shelter over a million migrating ducks, geese and swans in spring and autumn. In Prince Albert Saskatchewan, there is long distance cycle touring as well as hiking and canoeing. Fundy in New Brunswick features some of the world's highest and most dramatic tides, and an arts and crafts school. And so on.

Most provide really excellent interpretative programmes which may take the form of lectures, films, walks or rides with wardens or guides whose knowledge is considerable and enthusiasm infectious. In fact, I know of few other countries in which a variety of special interests can be pursued with so much gratuitous help and so many immediate rewards.

Further information: Canadian Government Office of Tourism, Canada House, Trafalgar Square, London SW1.

The many-varied cyclamen

GARDENING
ARTHUR HELLYER

AMONG THE NICEST plants in my garden at the moment are the hardy cyclmena and not simply for their flowers since some kinds have most attractive foliage. My favourite is *Cyclamen hederifolium*, a name meaning "ivy-leaved" which scarcely does justice to the great variety of silvery veinings and marblings on its lustrous dark green leaves. I like the way it holds its leaves compactly, one overlapping another like tiles on a roof so that they hide the ground completely, each plant making its own distinctive pad since no two ever seem to be exactly alike.

I started years ago with maybe a dozen plants and now there are scores, many of them yards away from their parents. How they distribute themselves so widely has long been a puzzle to me since all cyclamens have a curious habit of coiling their flower stems round and round once the flowers have faded and the seed pods are beginning to form and so gradually drawing these downwards and actually half burying them in the soil by the time the seed is ripe.

One would expect this extraordinary behaviour to result in a mass of seedlings close to each parent plant but this never seems to happen. The seedlings are always well spread out and something must carry the seeds to their places of germination but whether it is birds, worms or some other agent I have not been able to discover.

Cyclamen hederifolium bore that name when I was young, then botanists changed it to *C. neapolitanum* and now they have restored it to its original title. So bulb catalogues sometimes use one name and sometimes the other, a point to bear in mind when ordering it if one is not to finish up with the same plant twice over. February and March are as good months as any during which to buy hardy cyclamens and if they can be obtained in small containers, or freshly tipped out of them, so much the better for they really do not like being disturbed. With *Cycalamen hederifolium* there is sure to be great variation in the size, shape and colouring of the leaves and if it is possible to visit the nursery from which one proposes to purchase plants can be selected with the markings that please one most.

Flower colour also varies in *Cyclamen hederifolium*, including several shades of pink as well as pure white or white flushed with pink but as this is a late summer and autumn flowering plant it will be necessary at the moment to take the nurseryman's word about flower colour. It is a small risk for I have yet to see a plant of this species with flowers that I did not like though I think perhaps the pure white is the most beautiful of all.

What will be in bloom now is *Cyclamen coum* a less graceful plant than *C. hederifolium* because its stems are shorter, its flowers tubbier and its leaves less decorative. But this species excells *C. hederifolium* in richness of flower colour, usually a strong carmine which some people may find harsh but which I find very agreeable at this rather dull period of the gardening year. The plant spreads more slowly with me than *C. hederifolium* and all the seedlings have the sober dark green, broadly heart shaped leaves of the variety that is somewhat confusingly called *coum*.

In fact its full botanical name is *Cyclamen coum*, subspecies, *coum*, and if that seems like saying the same thing twice I must explain that the species used to be called *C. orbiculatum* and the name coum, tacked on to describe a particular form, then seemed reasonable enough. It is evidently a very stable form by comparison with any variety of *C. hederifolium* which one might acquire and I do find it a little boring that all my seedlings look exactly like the original parent. However variations are to be had and some have even been given distinguishing names such as Atkinsii which has leaves marbled and veined with silver though never so spectacularly as the leaves of *C. hederifolium*. This form can be obtained from Broadleigh Gardens, Bishops Hull, Taunton, who offer a good selection of hardy cyclamens and another possible source of hardy cyclamens is Avon Bulbs, Bathford, Bath.

I also grow *Cyclamen repandum* which is not unlike *C. hederifolium* and, to make confusion worse, is often described as the ivy-leafed cyclamen. So far it has not proved so satisfactory with me as that excellent species, spreading its leaves more widely and loosely and not overlapping them to make such conspicuous cushions of green and silver. However all the experts agree that this cyclamen is even slower than most in establishing itself and I have not had it anything like so long as *C. hederifolium*. I must give it time to show its paces and even if experience confirms my early impression that it is not such a strikingly handsome plant it will still be worth a place on its present showing since it flowers in mid-spring after *C. coum* has finished and long before *C. hederifolium* starts. All plants of *C. repandum* I have seen have had pink flowers but there are said to be crimson and white varieties.

The species which I have known for many years as *Cyclamen europaeum* is now called *C. purpurascens*. Its rose-pink or carmine flowers come earlier than those of *C. hederifolium*, in late summer rather than in autumn, its leaves are much rounder, more like those of *C. coum*, and if they are silvered at all it is in a rather unspectacular way around the edge. It is one of the few hardy cyclamen which are said to prefer sunny to shady places.

On this point I cannot speak from experience as I have not grown it but all the cyclamen plants I have are in shade, most in the dappled shade of oak trees though some have crept into the even greater shade of a hedge of evergreen euonymus where they are competing very successfully with ivy.

PROPERTY

Time share tangles

BY JUNE FIELD

THE BRIEF for some of the speakers at UK and Ireland Property Timeshare Conference at the Piccadilly Hotel on Monday and Tuesday—organised by Resort Condominiums International (RCI)—is to "stress the point that timesharing is a *holiday* investment rather than something much heavier."

Property sharing—based on the simple concept of only buying the holiday time you need, when you want it, without taking on the full responsibility and capital outlay of a second home in Britain or overseas—has become a complex and profitable operation. One of the fastest growing sectors of the leisure industry, projects in Orlando, Florida, are said to be turning over at the rate of $1m a month; and worldwide timeshare sales encompassing some 1,000-plus different developments in 35 countries, are expected to reach a staggering $1bn by the end of the year.

But the conference organisers want to reinforce the point made in a consumers' guide published in 1977 by The Resort Timesharing Council of the American Land Association that "a timeshare is not an *investment* opportunity in real estate."

The idea of sharing property is said to have started some 15 years ago in a French ski resort, has been followed up by shared ownership on Spain's Costa Blanca, and has really got under way in Florida condominiums in 1973 with the object of stimulating cash flow during the recession. Since then, timesharing, a term borrowed from the computer industry, has mushroomed into a number of different sale categories, all of which need careful study and on which appropriate legal advice should always be taken.

For instance, a recent article in *The Law Society's Gazette* posed some questions as to whether the Spanish *escritura* system in the form of a legal transfer of property, drawn up and executed by or before a notary and registered in the local land registry, would bring any problems when applied to timesharing. Mr Paul Allen, RCI marketing director, told me that their lawyers in Madrid were making enquiries: "The unfortunate thing is that there is no one standard format for buying."

Prices for timeshare units vary according to the season most in demand—ski-time in the Alps, summer at the British seaside, the winter months in Florida or the Caribbean, and for families, school holiday periods. Opportunities for golf, tennis, swimming and so on, add to a resort's desirability.

Also the annual "time-frame" you buy can vary. There is the fixed variety, the most common form normally starting on the same day of the week, and the "floating" period on a rotation basis. Time is bought over a period of anything from 20 to 80 years, sometimes in perpetuity, sometimes on a right to use or club-membership basis depending on the legal requirements in different countries.

It usually costs a one-off payment of around £750 to about £7,000, for each week's use bought, obviously considerably less than it would to buy a commensurate place outright. Although now that "packages" of weeks are being bought, either consecutive or spread over the seasons, this means a heavier capital outlay, as well as having to pay more management charges, with the latter an already increasing figure. And when the operation gets into bigger money, one might well consider whether outright ownership of a small holiday home, coupled with an efficient management and or letting service—over which one might have more control—would serve equally well.

night needs to be kept back for refurbishments and major repairs.

RCI is one of the major "exchange" organisations, together with Interval International. Basically their function is to arrange "swaps" of weeks between subscribers all over the world, making sure that accommodation keeps up to the required standards. Although a survey initiated by the International Time-Sharing Exhibition in London last month, organised by *The Time-Sharing Magazine*, revealed that only 4 per cent of people currently considering buying were thinking of going in for exchanging. This "How Are You Going to Use Your Timeshare" question also showed that 67 per cent wanted it for family use, 12 per cent wanted it to get away from the family, 11 per cent for combined usage, 5 per cent had "other reasons," and the rest did not know.

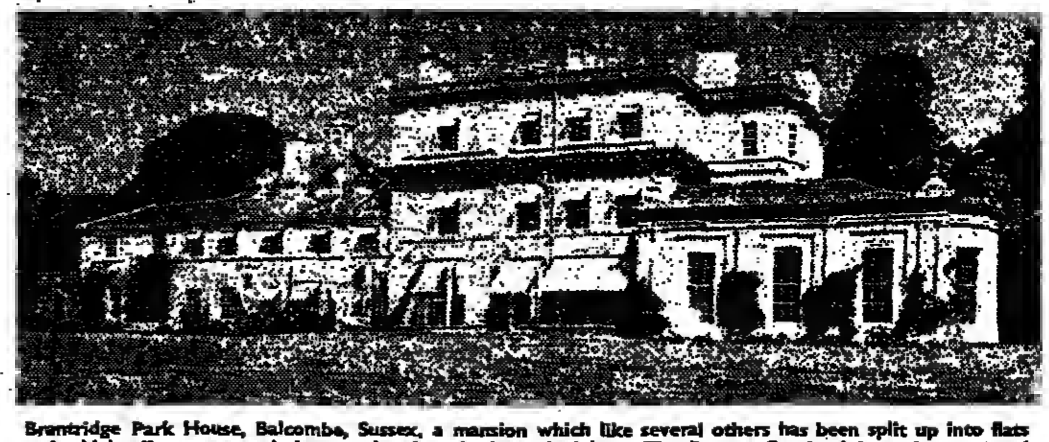
The survey, carried out by MIL Rsearch, showed that from the sampling of those interviewed, most wanted to buy in Britain, fairly closely followed by Spain, with France, Portugal and Florida well down on the list.

Using timeshare units as incentives and competition prizes is on the increase. Barratt's and the Crouch Group who are involved in their own timeshare projects have already gone in for offering weeks as inducements to buy on their general housing developments. Now Costain's is the latest company to buy time at Atlantic Time Ownership's Coronado Aparthotel in their Marbesa Village on the Costa del Sol. The one-week November holidays for five years inclusive of service charges, are in this high-rise block (I was there a month or so back, and the views are tremendous and the accommodation smart, which makes up for its somewhat austere external appearance). They are also being offered to buyers of Costain homes on 11 of their sites spread through Bedfordshire, Berkshire, Devon, Gloucestershire and Worcestershire, where three- and four-bedroomed detached houses are priced from £28,250 to £70,000.

Says Costain Homes marketing director Mr Geoff Wheatcroft: "We took the view that people moving home might miss out on a holiday that particular year, so here would be a chance to get away with only the fare and food to pay for. There is even free membership of two nearby golf courses for two players for three years."

And would you believe that if you buy six products at Boots (excluding medicines), that you can go in for a simple competition to win an autumn or winter holiday in the Multi-Ownership and Hotels luxury Loch Rannoch Estate in the Scottish highlands? Built some five years ago by British timeshare pioneer Mr Frank Chapman, it is now a multi-million pound resort with over 2,500 owners.

● Free leaflets Mr P. Allen, RCI, Langham House, 308 Regent Street, London, W.1 (who can also supply details of the British Property Time-Share Association members), and Mr J. Cruz, I.I., 50 Pall Mall, London, SW1. Last-minute registration, £160, UK and Ireland Time Share Conference, 9.30-10.30 on Monday at the Piccadilly Hotel, London, W.1, where the *Homes Overseas International Property Time-Sharing Exhibition* is Wednesday to Friday: *Homes and Travel Abroad* timesharing magazine, which currently incorporates a timesharing publication, is 75p post free from Mrs Judy Rose, Editor, Domus Publications, 52 South Molton Street, London, W1. (This *Time-Sharing Magazine* will be launched as a separate journal at the Homes and Travel Abroad International Property Exhibition at the Cumberland Hotel, W1, April 22-24.) Incentive and competition details Mr G. Wheatcroft, marketing director, Costain Homes, 67-71 High Street Marlow, Bucks, and Gillian Hutchson, Barbara Attenborough Associates, 1 Harewood Place, London, W1.



Brantridge Park House, Balcombe, Sussex, a mansion which like several others has been split up into flats and which offer accommodation on the time-sharing principle. The Resort Condominiums International UK and Ireland Property Timeshare Conference will be held at the Piccadilly Hotel next Monday and Tuesday at which Portugal and the south of France will be represented

Hunting season

BY MICHAEL CASSELL

THE TRADITIONAL home-hunting season is again on the horizon and any would-be buyers emerging out into the market after a winter break will find the money-lending institutions falling over themselves to offer the necessary finance.

Competition between the banks and the building societies for mortgage business has created a climate which the home buyer has only rarely been able to savour. Gone are the home loan queues, the agonising and invariably lengthy wait for mortgage approvals, the extra interest charges for larger advances and — in the latest development — even the need for any sort of deposit.

But if mortgage money has rarely been easier to obtain or had fewer strings attached, it is going to take something more to restore the housing market to a state of full health.

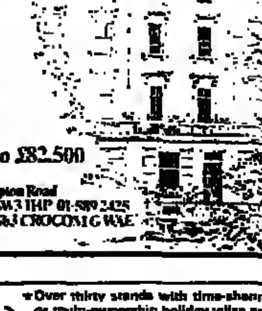
Not that the private housing sector, has, in most respects, been particularly poorly. For despite the common misconception that the residential market has for the last 18 months represented nothing less than a disaster area, the level of buying and selling activity has been historically very high.

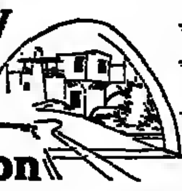
The combined lending programme of the societies and the banks during 1981 indicate one of the busiest years on record when it comes to handing out home loans and the only factor missing from the equation has been rising prices.

As a result, houses now look cheap in relation to average incomes and with mortgage money readily available, it is tempting to suggest that a Spring upsurge in market values should be on the way.

The trouble is that mortgages, while plentiful, remain historically expensive and the home buyers' ability to take on extra financial commitments in the year ahead look severely proscribed, given the outlook for incomes. So although large numbers of people may continue to move home — as they did in 1981—they will not be gaining from any significant price increases.

The societies — who have traditionally led on mortgage interest rates but who now could find themselves following the clearing banks — are beginning to make encouraging sounds about the prospects for cheaper home loans.





RESIDENTIAL PROPERTY ALSO APPEARS TODAY ON PAGE 9

Despite higher costs, cars will be taking many families away again this year. John Griffiths looks at the range and offers some suggestions

Wider choice for the traveller

ONE THING is clear: despite the long-term trend of higher motoring costs, the popularity of the car as the basis of a holiday remaina undiminished. It has much to do with the ability to load up at one's own front door constrained oot by weight allowance but by space, and the freedom to rove at will. And given that a family of four will get little change out of £1.000 for a two-week air-hotel package at peak season on the Costas, the overall savings offered by a motoring holiday can be considerable.

Those savings are highest at the camping end of the self-catering market. But anyone recalling youthful camping days with a shudder and who has automatirally discounted repeating the experience should take pause:

Pitfalls

The latest variety is unrecognisably different—at leaat if provision of tent, equipment and site is left to the professionals.

Even then there can be pitfalls—a peak period stay on a southern French coastal site hold for some grim memories of too many people, packed too closely together, with too much noise—embarrassingly so in the watches of the night — unobstructed by too thin canvas walls. Such perils tend to apply more to casual camp aites than those run by tour operators, however.

There are now dozens of Continental ramping holiday organisers in Britain. Amoog the largest are Canvas Holidays, Eurocamp and Inn-Tent. The "package" ordinarily will include ferry fares, site and tent equipped with virtually all essentials, including in many cases 'fridges in which to keep the vin blanc.

The more expensive sites are likely to include restaurants, hars and swimming pools and vary io location from the coasts of the main European countries to the grounds of chateaux deep in rural France. Needless to say sanitary facilities have come a long way from the cold water shave, pick-up-thy-spade and walk days (ensure, however, that "your" tent is not too near them; traffic tends to abate later and resume early).

Even at the more luxurious end of the market, under £500 should cover two weeks for a family of four, including ferry fares and overnight accommodation while travelling to the aite (also organised as part of the package).

Not aurpriaingly, even the relatively well-heeled find the prospect attractive and operators' brochures increasingly have become geared to them, stressing the cultural and gastronomic opportunities of the chosen area.

That camping has become big business is illustrated by the growth of Canvas Holidays: this year it will be using about 90 sites, 10 more than last year, plus about 700 hotels for transit atops. It expects this year to cater for rather more than the 63,000 Britona who holidayed with it during 1981.

Altogether at least 1m motorists are likely to be visiting the Continent this year undeterred by the prospect of higher costs to cross the Channel as a result of the ending of the fierce price war which has raged among ferry ooerators for the past year. This drawback has at least been offset by the rapid growth in the quality and qoantity of facilities, particularly those involving self-catering, once they get there.

Tha ferry operators themselves have not heen slow to catch on to the aelf-catering trend, and this year are offering an inrreased variety of their own holiday "packagea." It remaina a small part of their overall business hut, according to state-owned Sealink, it is "growing like mad"—in Sealink's case by 250 per cent over the past three years.

French offer

One interesting variety of holiday has arisen from the French Government's concern about rural depopulation, which has led to the setting up of its gites rureaux scheme through the French Travel Service. Gites are essentially renovated farmhouses, village homes and similar accommodation.

They are scattered throughout 24 departments, including such areas as the Auvergne, hackwater of southern France where the Loire rises and travelling through which gives a sense of visiting an earlier, altogether more leisurely century.

Although standards are closely monitored, they remain in individual ownerahip. The accommodation is granded by an epis (ear of wheat) system and prices vary considerably, between about £200 and £390 a week including ferry fare. If that sounds slightly expensive, some of the properties can sleep up to eight adults. The French Travel Service has linked up with Sealink to package such holidays.

The variety of other accommodation, from the Brittany coast to the interior of Spain is enormous, however, and all the ferry services, the RAC and the AA, through its Argosy travel operation, run similar packages. Depending on season, costs can be as little as £65 per person per week depending on the number of people travelling in a car.

It is worth bearing in mind also that Scandinavia is not necessarily as expensive as rumour suggests, with high-standard self-catering accommodation available in the densely wooded Kalmar region of aonth-east Sweden, for example, for abont SKr 500 (£86.2) per week even at peak seaaon. Tor Line Ferries runs a service from Felixstowe to Gotheoburg.

Ireland remains popular, with one variety on the touring holiday "package" being caravans which you take in tow at your port of arrival.

Sealink is again one of the main operators, which also runs "free as you please" motoring packages, where you are given a liat of hotels on a "circuit," including Kilkea Castle, dating from 1180 and set in 110 acres of parkland south-west of Dublin. You arrive at the pre-hooked hotel, then simply tell the receptionist were you want to go next and she hooks ahead for you, and so on. Costs range up to £137 per week per person, based on two travelling in a car (including ferry fare).

Bnt if you are prepared to riak the weather, there remains much to attract within the UK, in a year when the English Tourist Board is running a major promotion on the theme of Maritime England.

This year too the holiday motorist in the UK is on to a particularly good thing. Petrol prices in the past few months have fallen hy up to 40p a gallon and the glut looks set to continue. British prires are now lower than anywhere else in Europe except Italy.

The UK tourist trade, where facilities last year had seemed increasingly to he high-priced and relatively poor value, has been increasing charges by well under the rate of inflation as part of a fierce competition for scarce husiness.

Standards have been steadily rising, particularly in regard to eating places for the traveller, which has for so long been a particularly had problem in Britalo. Holiday motoring ia usually a family affair, and foreigners visiting Britain have long queried why British catering establishments tend to regard children as irritants rather than custom. Three cheers in particular, lhen for the chaios—such as the Little Chef group—who consider them as all part of the husiness (and keep stocks of things like Infants' high chairs) and three more for the trend recently discerned by Egon Ronay towards public houses changing the nature of their operation to cater more for the family than the inveterate drinker.

If the Elliot Committee's report of the early 1970s, which recommended opening times at the proprietor's discretion, were to he dusted off and implemented, Britain would be well on the way to adopting Continental practire. And the old complaints about licensing laws—that adults are treated like children and children like dogs—could, not before time, he huried . . .

Again, as in the cast of Continental motoring, it is not necessary to grapple with hotel and route guides on your own. Both motoring organisations provide packages, rovering route planning linked to the hundreds of hotels, guest houses and inns within their respective rating systems and which Include the necessary emergency services for non-members.

Tents to rent

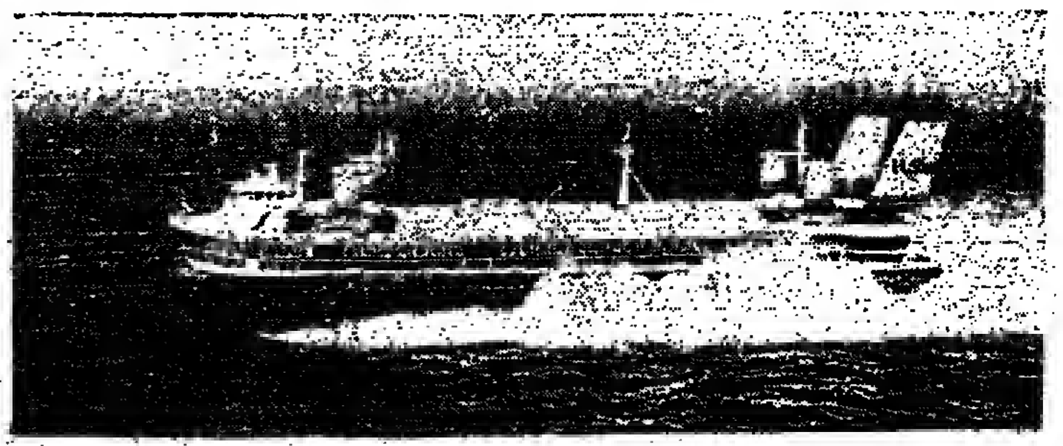
Those who are bent on camping do not need to huy their equipment: the motoring organisations will rent virtually everything you need from about £5.50 a day.

Details of ferry facilities and precautions which sensibly need to be undertaken are given elsewhere.

As regards financial needs, when motoring ahroad in particular it makes aense to carry at least one credit card of the American Express/Diners Club type, for their ahsence of cash limits in rase of emergency, and of the Barclaycard/Access type for its rredit facilities for purchases which you shouldn't make hut can't resist. And the letter can he plugged into the Eurocheque cheque-cashing facilities operating in most countries.

It is also worth considering opening a foreign currency deposit account for the country of your choice, which any High Street hank will do. A term deposit of six months, expiring just before the start of your holiday, can in some circumstances give a considerably better rate of return than an account held in sterling.

Finally, if you want a motoring holiday, hut don't entirely trust your own vehicles, companies such as Travelwise rent-a-car (Brompton Road, London) offer a car rental-hotel package involving various discounts, the link in Travelwises's case being with the Inter Hotel group.



The hovercraft Princess Anne in its new Hoverspeed livery: 75 mph, 424 passengers, 55 cars and a 9 ft hover height

HOW MUCH IN AUGUST

ANGLO-FRENCH SHORT SEA ROUTES

	Metro family of four* £		Cortina two adults £		Rover family of four £	
	Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
Sealink	63.50	43.50	64.50	41.00	80.50	53.50
Townsend Thoresen	67.00	44.00	70.00	41.00	85.00	54.00
P & O	68.00	41.00	70.00	39.00	87.00	53.00
Hoverspeed	71.00	61.00	62.00	52.00	71.00	61.00

Routes: Sealink: Dover/Folkestone-Calais/Boulogne; Dover-Dunkirk
Townsend Thoresen: Dover-Calais
P & O: Dover-Boulogne
Hoverspeed: Dover/Ramsgate-Calais; Dover-Boulogne

*Children aged 4-14, except with Hoverspeed (upper age limit 16). Infants under 4 travel free in all cases

Check those spares

IT IS 2 am. You lingered too long over dinner, the coast is still a couple of hundred miles away and it is vital to get that early morning ferry. And the top radiator hose has split.

At times like that, the great stack of documents making up your insurance kit lying in the glove compartment seems singularly useless. The nearest phone was passed three miles back, and it would he reasonable to expect aome delay in getting breakdown assistance when you have finally phoned through.

If, on the other hand, you've got a spare in the boot, five minutes work should see you on your way again.

The majority of breakdowns do invalve minor and easily changed components, with hroken fan belts the number one offender. A few basic tools and the right mix of spares are well worth the space they take up. But to sort out which ones are most likely to he needed, and to buy them, can he expensive.

That is why the motoring organisations have also come up with rental kits. For about 50p a day (slightly more for non-members) they will supply a boxed range of spares for a given car. On returning the kit the motorist pays for any that are used, plus a small fee for repacking. Deposits are abont £20.

It is much better, however, to reduce hreakdown risks by seeing that the car is comprehensively serviced before setting ont. Hoses are a weak point, particularly when motoring at high speed over long distances in hot weather.

Finally, it makes sense to carry a gallon container of water in the car, and oil purchased in the UK if your car has a thirst for it (oil is mnch more expensive on the Continent). Safety triangles are mandatory in most countries, while an emergency plastic windscreen can be hought at most accessory shops. Make sure all your fellow travellers know where the documents are; give one a spare set of keys—and tuck into the back of your wallet a large banknote for the emergencies where a piece of plastic won't do nicely.

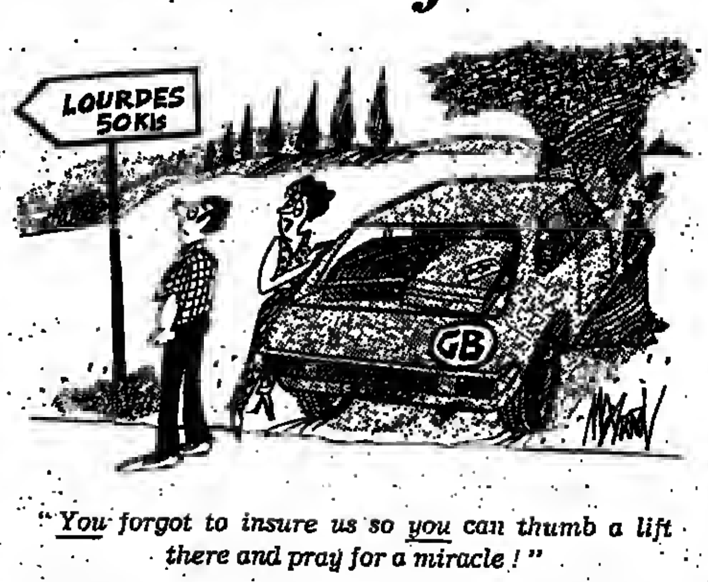
Reducing the risk of breakdowns

ELECTRONIC IGNITIONS, sealed cooling systems and other innovations have all served to make the modern car far more reliable than its predecessors. But it is still a highly complex machine made up of et least 7,000 individual parts. And of the roughly 1m cars which make their way across the Channel each year, just in the nature of things a lot of them will hreak down.

The same, inevitably, applies to people. And hoth get involved in accidents. Should you happen to be in Spain, getting involved in an accident could well see you, as driver, slapped in jail while the incident is being investigated.

In short, along with the flrxihility and freedom which have made the motoring holiday ao popular, goes a higher level of risk than the ordinary holiday.

It is not so much prudent to Insure against the uoexpected as essential. And with the great variety of compreheosive schemes now on offer, there ahould be no reason why even the direst of mishaps shoold lead to financial loss.



"You forgot to insure us so you can thumb a lift there and pray for a miracle!"

The main areas the scheme cover are: Having to cancel a holiday at late notice, for example through illness; unexpected delays, auch as a strike hitting ferry operators; loss or theft of luggage; car hreakdowns; medical costs of illness or injury and the associated expense of relatives extending their stay to he at lhe bedside; transporting a badly broken down car back to the UK, and flying its occupants home.

Both main motoring organisations run comprehensive schemes: the AA through Its 5-Star Service, the RAC through Its Travellers Bond scheme.

Last year the AA covered 520,000 continental travellers and their 225,000 cars. Of those, 12,000 cars were the subject of assistance through hreakdown or other mishap, a further 2,040 vehicles had to be recovered; 60 patients were repatriated in the AA's own air amhulances and another 108 hrought hack on scheduled flights.

The 5-star scheme has heen slightly expanded this year. Changes include a free Bail Bond for motorists travelling in Spain, no charge for personal insurance for infants under four and an extension to 10 years of the age at which a car becomes liahle for an extra premium.

Its provisions Include: an allowance of £15 per person per day in respect of travel delays; up to £600 per person for lost or stolen baggage (although one cannot claim until one'a return to the UK); up £200 to cover the cost of getting parts to a broken down car; payment of hospital bills, extra accommodation, repatriation coats and other expenses up to £20,000.

The full list of henefits is extensive, and is broadly matched by the rival RAC scheme. How much they cost is dependent on bow many of the optional ingredients you want to mix. Basic premiums covering vehicle security only are availahle from the AA at £12.50 for up to 12 days, with travel and personal security cover payahle on top.

In both casea help is a phone call away, to the organisations' continental emergency centres, which never close.

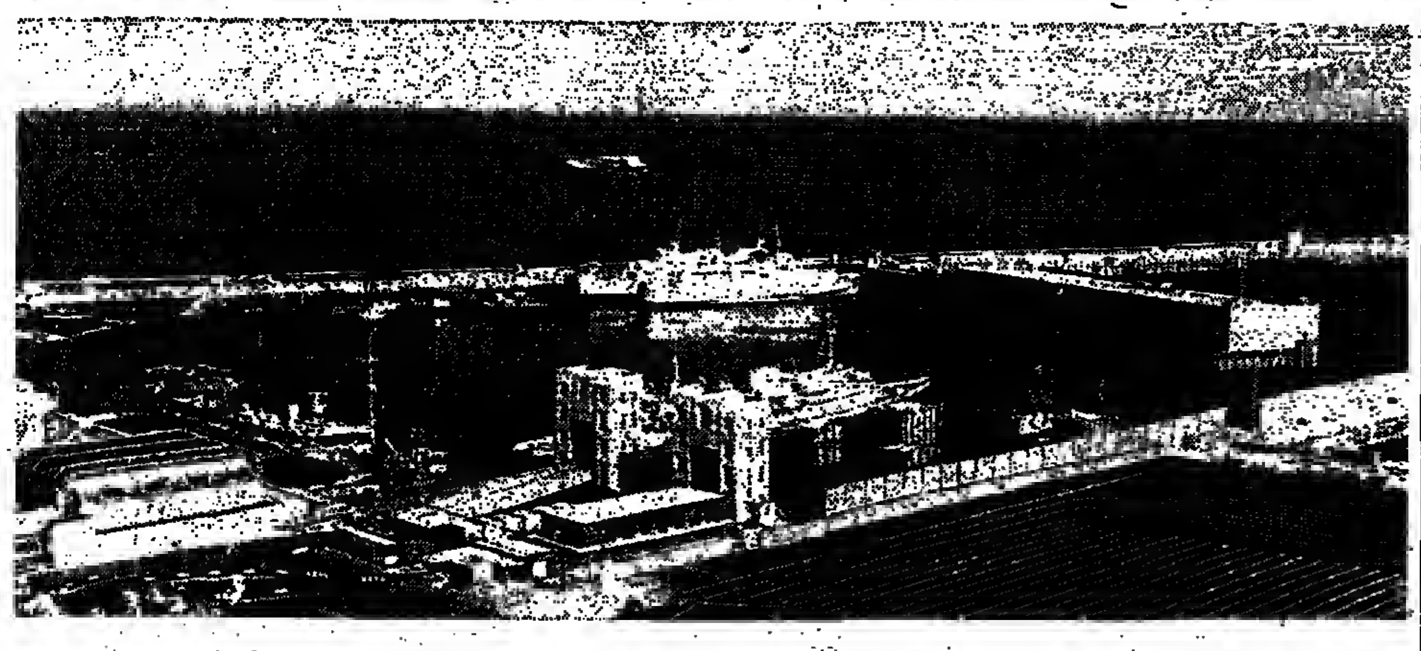
One important aspect of their operation is that, in the case of medical prohlems, they will provide immediate confirmation that any hospital fees will be paid. This is highly relevant, since the reciprocal medical treatment arrangements within the EEC mean only that a National Health Service registered person can reclaim any fees on return to the UK.

It is important before setting out to ohtain from the Department of Health and Social Security both a list of the countries with which reciprocal arrangementa exist (booklet SA/30) and Form E111, basically the NHS certificate of entitlement to treatment and ao epplication for which ia printed in SA/30.

In theory, travelling inside the EEC should mean that yon no longer require the insurance "Green Card;" In practice, it is unwise not to have one because moat standard car insuranres will provide only the cover while travelling ahroad.

Package schemes are not confined ot the two best-known motoring organisations. The Association of Brtish Travel Agents runs a scheme called Extra Sure which aims to cover any the more risks, and which incorporates the AA's 5-star scheme, while Europ-Assistance hased at Croydon also runs a variety of policies.

TAKING YOUR CAR ON HOLIDAY II



The Dover car ferry terminal: where abroad begins for many

Off-peak travel brings bargains

BY JOHN GRIFFITHS

NATURALLY IT was too good to last. The Continetal ferry operators, licking their wounds from two years of price war in the Channel, have put up their prices by about 15 per cent this year—11 per cent for inflation, the other four per cent to obtain a measure of profit in contrast to the losses experienced by all three main operators in 1981.

But within that overall rise more is being done, via price incentives, to spread demand. Inevitably, peak demand is for the daytime crossings in July and August. But now, more than ever, operators are anxious to lift the "shoulders" of demand on either side because of increases in carrying capacity brought about by the introduction over the past two years of much larger ships.

State-owned Sealink, for example, has two new "flagships," each with capacity for 340 cars, nearly double that of previous vessels. And lest that should raise fears of jumbo-jet type delays in boarding Dover and Calais harbour boards have built double deck car ramps to allow a loading time of as little as 10 minutes. That in turn has allowed total "turn-round" time to be halved to an hour. The result is frequency of sailings unchanged but capacity doubled. European Ferries (Townsend Thoresen) has added speed as well as capacity with its new vessels, cutting the Dover-*Calais* time from 90 to 75 minutes.

The structure of charges remains as complex as ever, enough for Sealink to have spent months on its new colour-coded brochure aimed at simplifying the task of sorting out the special offers. These boil down to travel mid-week, or at night, or out of season and pay much less.

The broad, single fare structures of the principal operators are as follows.

Sealink. Last year's peak "A" tariff, for example — £67 for a Cortina carrying a family of four on a peak summer weekend daytime crossing — has been replaced by a new top "B" tariff £72.50. The remaining C, D and E tariffs are progressively cheaper.

The C tariff applies to early morning and evening sailings, while the D tariff is for mid-week overnight sailings. Here the savings are considerable. There are three car-length charges — vehicles up to 4 metres, 4-4.5 metres and 4.5-5.5 metres. The D tariff for the largest cars is £28.50 against £55.50 for the B tariff —a saving of £54 on a return journey.

Standard charge

There is a standard charge for passengers throughout the season £8.50 for adults £4 for children.

Another innovation is the introduction of a single tariff of £15 for any caravan up to 5.5 metres throughout the year on the short routes to France. There is little differences in Sealink's charges on the longer routes to Ostend, Dunkirk and Boulogne—except that the caravan price is doubled to Ostend. But rates on the longest Weymouth-Cherbourg run are doubled for passengers, to £16.90 for adults and £8.60 for children.

Sealink's E tariff provides a flat rate for a car of £11 on the shorter routes but ends at the beginning of April.

To bolster business further Sealink is also *promoting short* excursions—60 hours allowing a return trip for the same price as a single and five-day excursions also offered at considerable discount.

Townsend Thoresen Prices on the short routes approximate very closely to Sealink's, passengers being charged slightly less (£8 adult, £4 child) and cars costing slightly more (between £20 and £61 depending on size and time of sailing). Peak period charges for a Cortina and party of four reach a maximum of £76 on the Dover-Calais route, dropping to £72 on the crossing to Zeebrugge and rising to £106 on the Portsmouth and Southampton services to Le Havre and Cherbourg. Townsend Thoresen's short excursion incentives structure is similar to Sealink's.

P & O Ferries: The newcomer to the Channel, operating between Dover and Boulogne and Southampton-Le Havre, claims to offer the cheapest options of all because its cheapest rate can be obtained throughout the year on some night crossings. It, too, operates cheap excursion on a 48-hour and five-day basis.

Hoverspeed: This is the new company resulting from the merger of the Seaspeed and Hoverlloyd interests. It *operates from* Ramsgate to Calais and from Dover to Calais and Boulogne, the "flights" taking little more than 30 minutes. For once, no economics degree is needed to find one's way round the fare structure. There is a standard rate of £35 one way for all cars up to 5.5 metres, variable only by a £10 increase in July and August and £10 less if crossing before 8 am or after 8 pm.

There is one fare of £8.50 for adults and £4.50 for children under 16, with infants four or under travelling free.

While the short crossings carry the bulk of traffic, there is a *continuing growth of* interest in longer routes through their ability to save driving wear and tear.

Brittany Ferries, operating between Portsmouth and St Malo, and Plymouth and Roscoff and Santander has been enjoying growing business. Meanwhile, Olau Line has expanded its capacity on the run between Sheerness and Vlissingen in Holland.

The merit of longer crossings is that one gets a full night's rest, which with on-board dinner, can turn a chore into an integral part of the holiday. Such services are offered for those in the north by North Sea Ferries on its Hull-Zeebrugge service. For those wishing to travel to Scandinavia, Danish Seaways is now handling bookings to a variety of destinations. Sealink is also running car ferries to the Channel Islands and *has acquired new vessels for its* Holyhead service to Ireland.

PRINCIPAL ADDRESSES

Sealink: PO Box 29, London SW1V 1JX; Townsend Thoresen: Freepost 1, Dover, Kent CT16 3BR; P & O: Freepost, Southampton SO9 1BG; Hoverspeed: International Hoverport, Ramsgate, Kent; North Sea Ferries: King George Dock, Heldon Road, Hull HU9 5QA; Brittany Ferries, 84 Baker Street, London W1M 1DL; Olau Line: Sheerness, Kent ME12 15N.

A winner from Datsun

BY STUART MARSHALL

Datsun Stanza 1.8 SGL 5-door

ANY EUROPEAN manufacturers who haven't got round to evaluating a Datsun Stanza should buy one straight away. They will be doing themselves a favour because they will discover just how good a medium-size family car can be.

When I sat in a Stanza for the first time at Frankfurt Show last September I thought it looked like a winner. Having just driven one for nearly 500 miles, I rate it equal to the best of the competition—and it sells at a price that must send cold shivers down the spine of any EEC-based car maker.

There are three Stanza bodies: a four-door saloon and three-door or five-door hatchbacks. They have front-wheel drive, the cross-mounted engines are 1.6 litre 81 horsepower or 1.8 litre 88 horsepower four-cylinder units of classic overhead camshaft design. There is a choice of four- or five-speed manual or three-speed automatic transmission, the steering is by rack and pinnion and the coil sprung suspension is fully independent.

Everything about the Stanza is new and it is only the first of a generation of Datsuns that will replace the mainly rear-drive current models over the next few years.

The car I have been driving—the 1.8 SGL five-door automatic—is the flagship of the Stanza range. It had, as standard, power steering, tinted windows, lustrous metallic paint, light alloy wheels, push-button LW/MW radio, rear window wash/wipe and a digital clock—and it costs £5,693. An electric sunroof that slid or tilted was £305 extra, making a total showroom price of £5,968.

Compare that with the smaller manual Ford Escort Ghia five-door at £6,118 or the Vauxhall Cavalier 1.6 litre GLS automatic for £7,122. The five-speed manual 1.6 litre Stanza SGL five-door costs £5,320: the almost identical, if slightly longer, VW Passat Formel E five-door hatch is £6,187. Bear in mind that the Stanza comes with power steering—which none of its rivals has—and its value is thrown into even sharper relief.

The motor industry concedes that but for the agreement between Britain and Japan limiting sales of their cars to about 11 per cent of the UK market, Japan would probably hold 25 per cent. Honesty compels me to suggest that if all the Japanese cars were as good as the Stanza, 25 per cent could be a considerable underestimate.

And what makes me so enthusiastic about the Stanza? For a start, the engine is smooth, vibrationless and very quiet indeed up to 5,250 rpm, at which the speedometer is showing 100 mph. The automatic transmission shifts self-effacingly; the steering has just the right amount of power assistance for effortless parking but allows the Stanza to handle on winding roads as nimbly and precisely as any rival. The ride quality is excellent, with minimal thump from the grippy Japanese-made Dunlops. There is hardly any wind noise; you can see why when you note the accurate fit of the doors and the sophistication of the rubber seals.

The driving position I found admirable (there are three variable degrees of lumbar support in the seat backrest); the steering wheel adjusts for height and there is a left footrest. Instrumentation is clearly seen, day or night, and the powerful heating and ventilation system is vacuum controlled by four push buttons. The front armrests are hollow (there is room inside for things like sunglasses); both door mirrors are interior-adjustable; the back seat lets down in two halves to increase luggage space. Looking hard for faults, I discovered that the rear wiper motor was noisy, the rear wash/wipe and demister switches weren't illuminated and on some surfaces the steering geometry allows a slight wander to develop during straight-line driving. And the family labrador indicated that the sill was too high to jump over, she preferred to reach the load space by a side door.

My fuel consumption was 30 mpg for typical commuter-cum-domestic motoring. The official 56 mph, 75 mph and urban cycle figures are 36.2 mpg, 29.1 mpg and 28 mpg. The much higher geared (25 mph per 1,000 rpm in top) 1.6 litre manual 5-door Stanza's figures are 51.4 mpg, 38.2 mpg and 29.1 mpg, so an average consumption would be close to 40 mpg. Both fuel filler door and hatchback are openable from the driving seat: you push or pull the the same tiny lever as the case may be.

New models have also been introduced by Honda (the Accord) and Toyota (Carina saloons and estates, Celica hatchback). I haven't even seen an Accord yet, let alone driven one, but I tried the new Toyotas on a saturated Goodwood circuit a couple of weekends ago. Headlamps and red rearguard lamps were essential in the teeming rain; my wellies attracted envious glances as I slopped through the mud to the pits. All I can realistically say is that the tyres (Japanese Dunlops again) clung on reassuringly during very hard cornering and didn't aquaplane much through the puddles.

The engines and gearboxes (four- or five-speed or automatic according to model) were unruffled by flat-out driving and the wipers and demisters coped with the downpour. I thought the cars looked nice, too.

MOST METROS are quite expensive but, as an involuntary shareholder in BL, I'm glad they are charging what the traffic will bear. But there has been a demand for a cheaper one and this week it appeared in the form of the £3,250 Metro City. Simpler specification apart (vinyl seats, rubber mats, no rear parcel shelf or window wash/wipe), it is similar to the basic Metro (£3,448) and not much different from the £3,899 Metro L. That makes it a fiver less than the Ford Fiesta Popular ("A more austere car altogether than the Metro City," said a BL man, loftily). I doubt that it will undersell the least expensive version of the Talbot Samba (due in a few days) and what about the £3,177 Hyundai Pony and £2,899 Zastava hatchbacks?

Metro City

BOOKS

French leave

BY GEORGE MALCOLM THOMSON

End of the Affair: The Collapse of the Anglo-French Alliance 1939-1940
by Eleanor M. Gates. Allen and Unwin. £15.00. 630 pages

Fortunately it was only an affair, not a marriage so that it could end without divorce, legal proceedings, or too many of the usual attendant unpleasantnesses. Not that there was any shortage of recriminations ,but these happened at a time when the war kept people's minds on more important things.

My own first intimation that things might not be well with the Anglo-French affair came in an overcrowded carriage on a train going from Rouen to Calais. It was one of the last days of August 1939, and most of the passengers were British tourists leaving France, with all appropriate speed and chatter, for their island fortress. Suddenly a French woman sitting opposite me said in a loud whisper to her companion: "God, if the English knew how they irritate us" *(nous embêtent)*.

The passionate dislike she put into the phrase made a disagreeable impression which came back to me several times during the months that followed, especially in the early summer of 1940. It seemed I had been given an ominous warning.

Ranging up and down this vast subject with a candour and even-handed justice with which it has not often been dealt, Eleanor Gates has no difficulty in singling out the successive turning-points in the drama. Being, as she is, an American scholar is no doubt a help. There are some incidents which even now, in post-war peace and semi-tranquility, it is hard for a French or an English writer to contemplate with coolness.

The first great crisis, which some judges would say made the whole sequel inevitable, came when Hitler occupied the Rhineland and the British Government would not move to eject him. Yet how easily it could have been done! The French generals wanted to do it. The German generals prayed that it would be done so that they could get rid of Hitler.


General Maurice Gamelin in 1940

But the British would not consent.

It is useless to blame the government of the day, which happened to be Tory. The British *people* would not allow their Government to take any part, however small, in the enterprise.

We were warned by Flandin, the French Foreign Minister, that it meant a fundamental reorientation of French policy; France would have to make the best terms she could get from Germany. By the time of "Munich," the consequences of this revolution in the European balance were apparent. The French, morally committed to Czechoslovakia, did not seriously contemplate carrying out their obligation. The British, who were not committed to the same degree, were intensely concerned about their failure to save the Czechs. They were beginning to realise the truth of Flandin's warning. But it was too late.

In May 1940, the alliance came crashing down in a cloud of dust. After a few hours of fighting, the French front collapsed. "Where is your strategic reserve?" Churchill asked. Gamelin had none. But the British had only a handful of divisions in the battle, and when they were asked to send more fighter squadrons from England, refused to do so. Those planes were needed for the defence of Britain herself.

It was the moment of truth, as painful as such occasions usually are.

In the most dramatic section of the book, Eleanor Gates describes Churchill's visit to Tours at the moment when everything was tumbling about the ears of the two governments. While Chruchill strove to persuade the French to transfer forces to North Africa, while Reynaud dithered (with the mischievous whisper of Helen da Portes, his pro-Nazi mistress, ever in his ears), the unctuous Paul Baudouin worked tirelessly for surrender.

At a meeting of tha Supreme War Council in the Prefecture of Tours, Churchill pleaded eloquently for France to stay in the war. It was, said Beaverbrook, who was there, the most magnificent of all his speeches, although it was addressed to a mere handful of men. By that time the question was, would Britain allow France to make a separate peace.

Churchill went into the Garden of the Prefectura, dripping after the rain, to consult his colleagues. Beaverbrook said, "We are doing no good here, Winston. Let's get along home." They went.

It was the end of the alliance.

It was not, of course, the end of relations between the two countries. Ahead lay that harrowing incident, the British attack on tha French fleet at Mers-el-Kebir. And lurking in the wings was De Gaulle who was to treat a British alliance with something like disdain.

But Eleanor Gates is only concerned with that future. She deals with the downfall of an alliance built upon the illusion that the *other* partner would—and could—bear the main weight of the joint task. Hers is a chilling and enlightening tale.

As is often the case in affairs of this kind, there were faults on both sides.

Jackets for 'Summer Moonshine' (in Finnish) and The Mating Season' (in Swedish)—two plates in the belated but nonetheless splendiferous symposium from the Pierpont Morgan Library 'P. G. Wodehouse: A Centenary Celebration 1881-1991.' (Oxford, £40.00)

China set

BY COLINA MACDOUGALL

The Gate of Heavenly Peace
by Jonathan Spence. Faber and Faber, £11.50, 465 pages

To be a famous writer in China is a hazardous profession. Few have lived undisturbed; to die peacefully in their beds, this century. Jonathan Spence's gripping new book tells the story of modern China through the tumultuous lives of intellectuals. He makes the Gate of Heavenly Peace, Tienanmen, his symbol; standing at once for Imperial China's resistance to change, and for the revolutionary dramas played out before it. Subtly, it signifies the persistence, throughout the 20th century, of authoritarian distrust of intellectuals.

Spence's story begins in 1895 with Kang Youpei, who narrowly escaped execution in 1898 for proposing reform to the Emperor. The book ends in 1979 with the arrest of the two democrats, Wei Jingshen and Fu Yuehua. The chaotic early years of this century are drawn with stunning effect.

Shen Congwen, now 80 years old, in Peking, came from remote western Hunan. As a horrified child he saw the hundreds of beheadings which followed the 1911 revolution. Xu Zhimo, the poet, had a different kind of experience. Coming from a rich family (grown richer by supplying guns to revolutionaries in Hangzhou), he went in the 1920's to Cambridge, where he dallied on the Backs gazing at the Cam; conversing with friends who included E. M. Forster and H. G. Wells. Xu was typical, in his thinking if not in his travel, of the romantic Chinese intellectuals of the time.

Like Xu, China's young writers were looking for a new philosophy to replace the tradition of Confucianism. Outstanding among these was the writer Lu Xun, who died in 1936. Today Lu's works are classics among Communist literature; but if he had survived the next 25 years, as Spence observes, he might have blotted his copybook.

"When the Chinese are confronted with power [Lu Xun wrote] they dare not resist . . . When they have power, most of them are cruel, heartless, and tyrannical . . . As soon as they are totally defeated, they are ready to resign themselves to fate."

Mao Tsetung came down like a ton of bricks on intellectuals for criticising party officials.

And that has been the policy, more or less, for writers ever since. The chaotic Cultural Revolution was particularly cruel. China's most distinguished writer of his time, Lao She, died mysteriously in 1966 at the hands of the Red Guards. From the ashes of the Cultural Revolution rose the democratic writers of 1978, with their posters and unofficial magazines. Predictably, they were silenced.

Centre ground

BY JOE ROGALY

The English Middle Classes are Alive and Kicking
by Ian Bradley. Collins, £6.95 (paperback). 240 pages

There is no doubt that the proletariat is withering away. It is losing numbers, and losing strength. Twenty years ago some two-thirds of the jobs then going were held by manual workers; the proportion has since fallen steadily, to the point where the Manpower Services Commission has come to predict that by 1985 slightly under half of those in employment will be blue-collar workers. This is a long-term trend presently exacerbated by the high rate of unemployment, which is particularly severe among unskilled workers.

If it were not for Mr Bradley's book, one response to the re-presentation of this information might be, "so what else is new?" The move from farm to factory, from factory to office, from private-sector offices to town halls and state service is well-documented; nor is it merely a British phenomenon. If this shift in the employment patterns of many Western industrialised countries means fewer manual workers, the traditional proletariat, does it also mean the rise of the bourgeoisie" or the "middle class?" The words are put in quotation marks because they belong to the past; social change since the second world war, with the emergence of white-collar trade unionism and the advance of women into employment, has been so profound that the old terms will not serve as useful analytical tools.

It is perhaps for this reason that Mr Bradley's book seems confused. He has the journalist's skill in stringing together large numbers of bits and pieces of information; one can visualise him writing the book at a table spread with newspaper cuttings, open reference books, scribbled notepads full of apt statistics or piquant quotations. Inevitably, he gets some of it wrong: he talks, for example, about "permissiveness, proletarianisation and egalitarianism" as if the the three were inextricably bound parts of a single whole. But we have *not* returned to national puritanism (watch "Over The Top" any Saturday night on TV); and "proletarianisation," which is anyway decreasing, does not equal "egalitarianism." In short, the book is muddled. Information abounds, thought does not.

This is not to say that the impression it creates is all wrong. The better-off have undoubtedly weathered the recession in greater comfort than the poor or relatively low-paid. The Left is certainly in disarray, if not in retreat. The trade union movement is apparently running scared, at least at the TUC level. The number of property owners is growing from a scant majority into a substantial majority (even the miners' recent vote against a strike suggested that the Coal Board's policy of selling them the houses they previously rented was paying a social and political dividend). But these are deep currents, not easily summed up in phrases about the "middle classes" being "alive and kicking." Nor is the most important corollary properly treated: that the British centralist tradition of concern for the worse-off cannot be set aside any longer. But that belongs, perhaps, to another book.

After Haile

BY JAMES BUXTON

The Ethiopean Revolution
by Fred Halliday and Maxine Molyneux. Verso Editions, £5.95. 304 pages

Until a few months before he was deposed Emperor Haile Selassie of Ethiopia was regarded as one of the world's most astute wielders of political power. He maintained almost unchallenged dominance of that wild, legendary country by faithful application of the principles of Machiavelli; and by the awe engendered by his person and his position.

Yet not only did his régime collapse in 1974 with scarcely a shot being fired in its defence but Ethiopia then underwent as profound a revolution as that of Russia, despite a previous absence of organised radical or revolutionary groups.

Haile Selassie's régime collapsed because the middle class of junior officials and officers, which he created, became frustrated at the limits to their ascendancy imposed by the aristocracy and by the static political system. The failure of feudally-run agriculture to meet rising food needs produced the crisis of the 1973 famine. The resulting inflation was aggravated by the OPEC oil price rises. Mounting discontent led in 1974 to a few minor clashes by troops and students with the régime, in which its mystique vanished. It collapsed.

Almost from the beginning the revolution was directed by a shadowy committee of officers known as the Derg. Within a few months of seizing power it launched a radical reform of land tenure which destroyed the economic base of the old régime. Why the Derg became so radical in outlook is one of those mysteries of revolutions which Fred Halliday and Maxine Molyneux examine in this book—the first comprehensive study of the Ethiopian Revolution.

A crucial fact was that the revolution gave birth to Marxist-Leninist civilian organisations whose challenge to military rule impelled the Derg to keep one step ahead. The challenge became so great that the Derg finally launched a campaign of Red Terror against much of the civilian left, and crushed it: up to 30,000 people were imprisoned and several thousand murdered. The same rigidly uncompromising attitude of the Derg and its leader, Colonel Mengistu Haile Mariam (Head of State from 1977), helped intensify the discontent in many of the provinces, especially Eritrea and the Somali-populated south-east, which in 1977 produced wars that could have dismembered the country. But the subsequent defeat of the Somali invasion consolidated the régime. The Soviet Union and Cuba played an important part in that defeat by switching support to Ethiopia from the Somali army and guerrillas they had trained to invade it. But, as the authors point out, any Ethiopian régime would sooner or later have defeated the numerically much inferior Somalis; and the events of 1977 showed how little influence the superpowers actually had on violent antagonism in the Horn of Africa.

Ethiopia has been politically stable and increasingly peaceful ever since, but suppression of the nationalities may bode ill for the future. And if the system of land tenure was the old régime's undoing, the fact that the new one is also not producing enough surplus food may threaten either the present regime or its socialist orientation. The authors' left-wing standpoint enables them to illuminate the left wing groups, essential to understanding the Ethiopian revolution. Though sympathetic to the revolution, their judgments are almost invariably sound and often forthright. But much of the drama of those years is lost in the excessively analytical approach; and we discover little about Mengistu himself (though we learn that in 1980 he was still maintaining Haile Selassie's famous lions in the palace he took over from him). Nevertheless, *The Ethiopean Revolution* tells us all we need to know to understand Ethiopia today.

Leaps into feeling

BY MARTIN SEYMOUR-SMITH

A Loss Of Heart
by Robert McCrum. Hamish Hamilton, £7.95. 282 pages

Due South
by Jan Webster. Collins, £7.95. 320 pages

Confessions of a Homing Pigeon
by Nicholas Meyer. Hodder and Stoughton, £7.95. 378 pages

The real theme of Robert McCrum's feelingly written second novel is that of the difficulties faced by the generation of Englishmen who were born with the "old" advantages, those of the class that carried weight when Great Britain was at the head of an Empire. He lets us see that these advantages, though still disconcertingly and illogically taken for granted, are, for sensitive people, who want to discover meaning in their lives, obstacles to the finding of freedom.

But he does not do this in any obtrusive manner, and the style of his novel is distinguished by a rare feature: he can deal with feeling without embarrassment. This is refreshing at a time when to have any emotions at all is reckoned to be a severe weakness, and when even love of nature is transformed into anger.

Philip Taylor, a man with such "advantages," is already, at 30, defeated: marriage finished, job meaningless, rejected by his Midlands industrial family as lacking in the sterling qualities which go to make up commercial success.

Then, by a brilliant stroke of plotting, the author causes him to be launched, reluctantly, into an adventure which leads him into the 'real' world of the early 1980s. . . .

The result is a novel of sometimes horrific irony, nor is it one which holds out much hope, except inasmuch as it carries within it the implication that a desire for values does exist in individuals. It is a great improvement on an effective first novel, and displays a writer who, when he reaches the height of his imaginative powers, may achieve remarkable things.

Jan Webster had some success with her Glasgow trilogy *Colliers Row*, *Saturday City* and *Beggarman's Country*, some even compared it with Galsworthy, though I think that was injudicious in many ways, some of them injurious to the author.

Due South, set over the 30 years from 1952 until the present, traces the lives of Scots who have left their native country, just as Hardy's Farfrae left his (in *The Mayor of Casterbridge* — but he "loved it so well as never to return to it"), to live and work in London's Fleet Street.


Robert McCrum: weighing the advantages

Due South does not have much true imagination, or linguistic power; and the outlook is stodgy. But it is honest and persistent, and as it continues takes on a quality that is almost compulsive. The author's characters are real enough — they are not puppets — and it is because of this, because they are not manipulated, sentimental puppets, that *Due South* has authenticity.

Nicholas Meyer, who wrote a best-seller, *The Seven-Per-Cent Solution*, a Sherlock Holmes pastiche, which was done just about as well as these things can be done, has now produced a much more complex and ambitious performance. It is almost as good.

It is in the zany tradition of such writers as J. P. Donleavy, but is saved from being boring, unfunny or exclusive by keeping on the right side of sanity; when the author runs out of steam, he does not write in facetious or pseudo-lyrical passages for his more gullible readers to pretend to admire. He does not cheat.

George Bernini is the son of a mother who is a member of a circus troupe. She dies in a trapeze accident when he is five. He is handed over to an eccentric guardian, a child's delight: Uncle Fritz. Uncle Fritz, a composer and pianist of what might be described as the old Paris, is anything but emotionally shallow, but he is also highly irresponsible, so much so that his charge sees the seamy (and happy) side of Parisian life, although without being corrupted.

Then well-meaning relatives pull George back to what they feel is a responsible life: he finds himself in Chicago, at a nice school, and surrounded by the ethics of Senator McCarthy at worst, and those of President Eisenhower at best. He can't take it; and it is one of the achievements of this delightful book that it shows us exactly why.

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %	
Abbey National	9.50	9.75	11.00	11.75	6 years. Sixty plus, 10.75 1 year high option, 10.25-11.75 1-5 years open bondshare
Aid to Thrift	10.50	10.75	—	—	
Alliance	9.50	9.75	11.00	11.75	5 yrs., 11.25 4 yrs., 10.75 3 yrs., 11.00 £500 min., 3 mths.' notice
Anglia	9.50	9.75	11.00	12.00	6 yrs., 10.75 1 mth. not. int. loss
Bradford and Bingley	9.25	9.75	11.00	10.75	1 month's notice deposit
Bridgwater	9.50	9.75	11.25	11.75	5 yrs., 10.85 2½ yrs.
Bristol Economic	9.75	10.50	11.00	9.75	3 months' notice and 10.75 on balance of £10,000 and over. Escalator shs. 10.25-11.75 (1-5 y)
Britannia	9.50	9.75	11.00	11.25	4 yrs., 11.00 2 months' notice
Burnley	9.50	9.75	11.00	11.75	5 yrs., 10.75 3 months' notice
Cardiff	9.50	10.50	11.50	—	
Cardiff	—	11.00	—	—	Share a/c bal. £10,000 and over
Catholic	9.50	10.00	11.00	11.25	Extra share 3 months' notice
Chelsea	9.50	9.75	11.00	12.00	3 months interest penalty
Cheltenham and Gloucester	9.50	9.75	11.00	—	
Cheltenham and Gloucester	—	10.75	—	—	Gold Account. Savings of £1,000 or more (9.75 otherwise)
Citizens Regency	—	10.00	11.25	12.00	5 yrs., 11.05 3 mths.' notice a/c, 11.30 6 mths.' notice a/c
City of London (The)	9.75	10.00	11.25	11.25	Capital City shs. 4 mths.' notice
Coventry Economic	9.50	9.75	11.25	11.50	4 yrs., 11.25 3 yrs., 11.00 3 mths.
Derbyshire	9.50	9.75	11.00	10.25-10.85	3 months' notice
Ealing and Acton	9.50	10.25	—	10.90	2 yrs., £2,000 minimum
Gateway	9.50	9.75	11.00	11.75	5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Gateway	—	10.75	—	—	Plus a/c £500 min. [illegible] early
Greenwich	—	10.00	11.25	12.00	5 yrs., 11.25 3 mon[illegible]
Guardian	9.50	10.00	—	11.75	6 mth., 11.25 3 mth. [illegible] in.
Halifax	9.50	9.75	11.00	11.75	5 yrs., 11.25 4 yrs., [illegible]
Heart of England	9.50	9.75	11.00	—	3 mths.' notice 10.75. [illegible] .75
Hearts of Oak and Enfield	9.50	10.00	11.50	11.75	5 yrs., 11.25 6 mth., 11. [illegible] mth.
Hendon	10.00	10.50	—	11.50	6 mths., 11.25 3 mths.
Lambeth	9.50	10.00	11.75	12.00	5 yrs., 11.75 6 months' notice
Leamington Spa	9.60	9.85	13.20	11.35	1 year
Leeds and Holbeck	9.50	9.75	11.50	11.75	5 yrs., 10.75 1 mth. int. penalty
Leeds Permanent	9.50	9.75	11.00	11.75	3 yrs., E.I. a/c £500 min. 10.75
Leicester	9.50	9.75	11.00	11.75	5 yrs., 11.25 4 yrs., 10.75 3 mths.
Liverpool	9.50	9.75	11.05	11.75	5 yrs., 10.80 1 mth. int. penalty
London Grosvenor	9.50	10.25	12.00	10.75	3 months' notice
Mornington	10.50	11.00	—	—	
National Counties	9.75	10.05	11.05	10.75	35 days' notice min. dep. £500, 6 mths., 11.15 min. dep. £500
Nationwide	9.50	9.75	11.00	11.75	5 yrs., £500 min. 90 days' notice. Bonus a/c 10.50 £2,500 min., 10.75 £10,000 + 28 days' notice
Newcastle	9.50	9.75	11.00	11.75	4 yrs., 10.75 2 mths.' notice or on demand 28 days' int. penalty
New Cross	10.50	10.75	—	10.75-11.50	on share accs., depending on min. balance over 6 months.
Northern Rock	9.50	9.75	11.00	11.75	5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Norwich	9.50	9.75	11.25	10.75	3 yrs., 10.50 2 yrs.
Paddington	9.25	10.25	11.75	11.25	Loss 1 month int. on sums wdn.
Peckham Mutual	9.75	10.75	—	11.25	2 y, 11.75 3 y, 12.25 4 y, 11.0 Bns.
Portman	9.50	9.75	11.25	11.75	5 yrs., 11.00 6 months' notice, 10.75 3 months' notice
Portsmouth	9.85	10.05	11.55	12.10	(5 yrs.) to 11.50 (6 mths.)
Property Owners	9.75	10.25	11.75	11.75	4 yrs., 11.75 6 mth., 11.05 3 mth.
Provincial	9.50	9.75	11.00	12.00	4 yrs., 11.25 3 yrs., 10.75 2 mths.
Skipton	9.50	9.75	11.00	10.85-11.00	28 days' interest penalty
Sussex County	9.75	10.00	12.25	11.00	instant withdrawal option
Sussex Mutual	9.75	10.25	11.50	10.50-11.75	all with special options
Town and Country	9.50	9.75	11.00	12.00	5 yr., 11.75 3 yr. 60 dy. wdl. not., 11.2 mth. not./28 days' int. pen.
Wessex	9.75	10.75	—	—	
Woolwich	9.50	9.75	11.00	11.75	3 yrs. £500 min. 90 days' not. on amt. wdn., 10.75 £500 3 mth. not.
Yorkshire	9.50	9.75	11.00	11.25	5 yrs., 11.25 4 yrs., 10.75 3 yrs., 10.25 2 yrs., 11.05 Golden key 28 days' penalty interest

*Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

Glencoe gore

Massacre: The Story of Glencoe
by Magnus Linklater. Collins, £7.95. 159 pages, photographs by Anthony Gascoigne

The way of life of the ancient Highland clans — poverty stricken but proud and with a thriving culture — is vividly pictured in Magnus Linklater's story of the Glencoe massacre. As Scotland became more influenced by England and the rule of law ,their tribal ways were bound to become a thorn in the side of the administration. In many ways the fate of the Glencoe MacDonalds anticipates that of the North American Indians—a clash of cultures, a broken treaty and the official extermination.

Government troops stayed for nearly a fortnight in their prospective victims' homes, betraying the clan's binding hospitality law. On February 13 1692, 38 men, women and children were killed. Many who escaped died later. Pamphleteer Charles Leslie helped to bring the massacre to public notice. "You say there are many in England who cannot believe such a thing could be done and publick Justice not executed upon the ruffians," he wrote.

A Commission of Enquiry was eventually set up. Predictably, King William was exonerated although his orders to his troops were clear enough. He in turn swept the affair under the carpet as well as he was able.

Only one question is unanswered by this well-written account: what happened to the two junior officers who were court-martialled for refusing to march on Glencoe?

Anthony Gascoigne has taken some stunning photographs of Glencoe. But the landscape has a certain monontony, and this book uses far too many pictures.

DAVID BLACKWELL

HOW TO SPEND IT

by Lucia van der Post

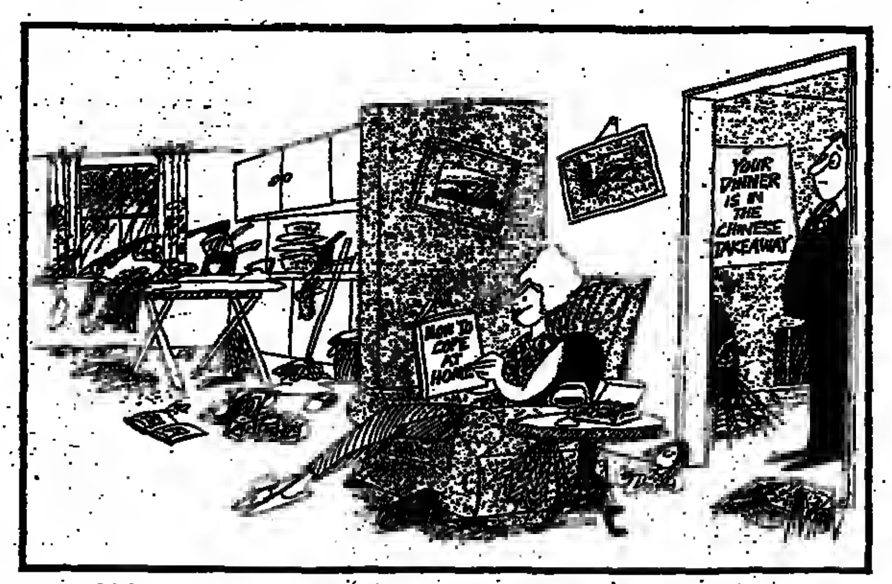
How to be your own home help

BARBARA CHANDLER is like nobody else I know—she waxes quite lyrical about cleaning. Yes, cleaning—washing, laundry labels, scrubbing floors, that sort of thing. Just mention the word ironing and you give her the cue for one of her favourite themes—how ironing is a lost folk art and all of us who neglected to absorb its mysteries at our mothers' knees will he letting those precious skills die off forever.

Barbara Chandler is the sort of person who never just stuffs a load of dirty washing into a machine. She knows all about such things as which powder has which properties and which should be used with which machine. Those hieroglyphics that you see on labels hold no fears for her; she deciphers them instantly. There isn't a fibre, a combination or a stain that you could mention that sha couldn't deal with instantly.

As for that lost folk art—ironing—if you, in your misguided way, thought that it was just a matter of common sense (I've been under this misapprehension all my adult life), then I challeoge you to read the section on ironing in Barbara's latest book, * *How To Cope At Home.*

There you will find detailed instructions, not only on how to treat almost every fabric you could ever hope to meet (and some you definitely hope you'll never meet) but detailed instructions about which should be ironed from the back, which from the



front, which from the back *only when dry*, which parts must never he ironed *on* the right side, how to deal with trims and tabs, sleeves and collars, how to get rid of lime deposits in *irons, how to save your flex-holder* from strain. I feel quite weak with wonder that I've survived this far without knowing any of these things.

Lest you think that *How To Copa At Home* is the kind of book that is going to tell you far more than you want to know about a lot of things you'd rather not think about, I feel it only fair to add that I'm with Barbara Chandler all the way when she says "I got sick of muddling through my bousework . . . I found *the only way to stay anywhere* near in control was to try to find the right way to do things." Knowing what you're doing and exactly how to set about it does mean that you can deal with all those boring necessities much faster and more efficiently than if you're fluffing around not knowing which polish to use or what temperature to set the washing machine at.

Barbara's advice and information was certainly all gleaned the hard way. She found her mother, who besides being a domestic wizard has a degree in maths from Cambridge University, was one of her best sources (from whence comes ber theory about ironing being a folk art). She consulted files, cuttings and reference books all the way back to the inestimable Mrs Beeton. She talked to manufacturers, chemists and home economists. Sbe bas winkled out products for many specific jobs and whenever they are difficult to get hold of she gives a mail order address so that they can be sent for. She particularly recommends the cleaning/restoration products from A. Bell (for cleaning stone and marble); the wax polish by Renaissance and Swade Groom cloth for cleaning suede.

So if you're like Barhara and me and believe in finding the hest and quickest way to cover the innumerable things that need doing in any house, whether It he a hedsitting room or a mansion, you'll find her hook a fantastic guide. It's well worth £6.95, if just for the addresses in the hack, let alone the clear illustrations, the tables of fibres and the lists of dos and don'ts.

* £6.95, published by Ward Lock.

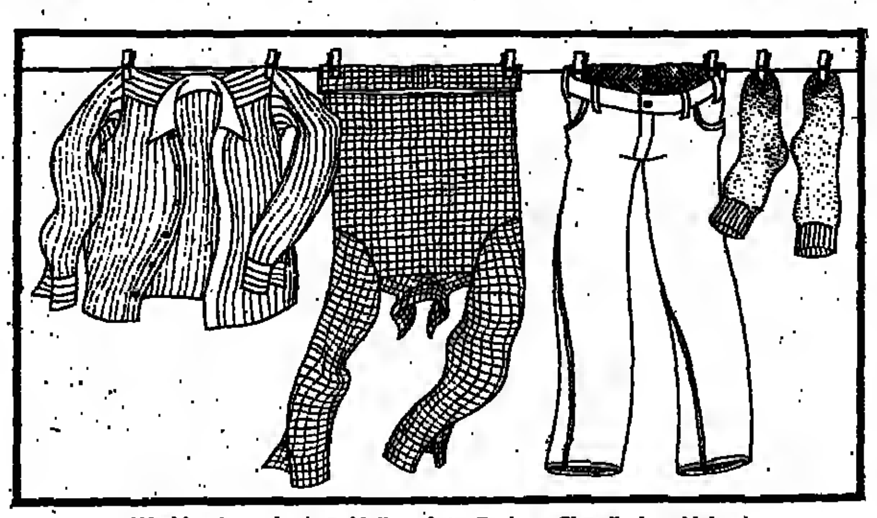
At your service — a directory of specialist cleaners

FOR all those who absolutely hate doing the sort of things that Barbara Chandler writes about, here is a collection of useful addresses of firms that will tackle some of the myriad cleaning johs for you. Nearly all of them run a comprehensive mail order service thongh your Yellow Peges directory is always worth checking for local cleaners.

SWISS HAND SERVICES, 16 Malton Road, Westway, London W10 (tel. 01-960 6883) not only offers to launder hy hand or to dry clean and hand-finisb any clothing, household linens or soft furnishings but it has weekly van collections and deliveries in the central London area and a postal service for non-crusbable items. Everything is done in the old-fashioned way, small tears repaired, bnttons sewn on. Major repairs will be done if the customer wishes and agrees to the extra cost. A man's cotton shirt costs £1.30 (plus VAT), a two-piece suit £5.15, a silk blouse £3.45 and a fine tablecloth is cbarged at £2.50 a square metre.

CURTAINMASTER, 33 Wates Way, Mitcham, Surrey (tel. 01-640 2212/7) offers a complete curtain cleaning service—from taking them down, cleaning them and repairing them to rehanging them. Whether they be flimsy nets or heavy draped and interlined velvet, Curtainmaster will do it. Write for furtber details.

IF you can't bear the thougbt of even a few days without your carpets or your upholstery then ALL SEASONS of Weir Bank, Bray-on-Thames, Maidenhead, Berkshire (tel. Maidenhead 34281) is the company for you. It operates all over the Greater London area, in Kent, East and West Sussex, Surrey, Berkshire and Oxfordshire



Washing know-how: guidelines from Barbara Chandler's guidebook

and specialises in bringing its equipment to the house. The equipment sounds exceedingly sophisticated (according to All Seasons its ability to "wet clean" upholstery is a real break-tbrough) and once again prices vary so mncb according to size and fabric that anybody interested in the service sbould contact the company direct

Most people by now have heard of JEEVES (*brancbes at 7 Pont Street, London SW1; 11, Heath Street, Hampstead, London NW3; 59 Connaught Street, London W2; 54 South Audley Street, London W1—and now one in New York, on Madison Avenue, as well*) but not everybody may know that the range of services it offers is continually expanding. Besides the linen and laundry services, it offers to test fabrics for those with specially delicate (or esoteric) items. It will restore suede and leather, pack your hags for you, and now It mends sboes as well.

JEEVES SNOB SHOP is the name of the shoe mending operation and it will collect and deliver in central London and offers to deal by post with every other part of the country. Anything from climbing boots to ski boots and golf sboes will be restored until they almost look like new. The service takes about a week and prices start at £3.10 for a lady's leather heel (gentlemen's are £4.60) and go on up to £24.50 and more for an almost complete restoration job.

SUEDE SERVICES of 2a Hoop Lane, Golders Green, London NW11 (*tel. 01-455 0052*) not *only cleans* and repairs but will also remodel any garment made from natural skin. The most disreputable-looking gatment can he restored to something that if not exactly pristine, will certainly be eminently wearable. *It prides itself on its postal service* and developed a special Postpack to make it *very easy for* anybody, wherever they are in the country, to use its service.

Postpack comprises a special hag to hold the clothing, an insurance certificate, identification tag, instruction sheet, price list, guarantee and even the *string so* that the laziest of us wouldn't bave any difficulty in despatching a garment to 2a Hoop Lane. Suede Services copes with anything in fur, leather and suede and tbe cost obviously varies depending upon what is needed—to repair a small tear expertly costs from about £5 while to clean a man's sheepskin jacket would be ebout £25 (prices include postage and packing). For a Postpack send 60p in stamps or cheque to Suede Services to the above address.

It's worth noting that SKETCHLEY has made a big effort to improve the services offered by all 500 of its branches. Among the special services—a two-hour cleaning service for those in a hurry, putting sharp creases into trousers, a duvet and sleeping bag cleaning service—it will convert eiderdowns into duvets, renovate your pillows, give new life to your ties and repair men's suits, invisibly mend and dye (particularly useful as so many laundries seem to bave given up dyeing services, defeated in the face of the multiplicity of fibres on the market).

If any reader has any problem with laundering or cleaning services or wants some service more ebstruse than those I've mentioned, then the association to write to either to complain, for explanatory leaflets or for edvice about specialist cleaners is: ASSOCIATION OF BRITISH LAUNDERERS AND CLEANERS, Lancaster Gate House, 319 Pinner Road, Harrow, Middlesex.

FOR those with a weakness for friends of the furry kind, here are two ways of bringing animals into the house—especially apt for over-crowded town dwellers—without taking on any *of their attendant demands.*

ABOVE: From the skilful paintbrush of Roy Liu, a former scholarship student at Liverpool College of Art, comes this cut out scenery which makes effective screening and appeals to the child in us all. They are handpainted with oil on wood and feature a tree skyline, with grass beneath and any *animal Roy Liu thinks* suitable. He will work to commission. The scenery comes in two sizes, abont 12 in high by about 7 in wide (£37) and abont 24 ins high by abont 12 in wide (£70). Delivery takes about a month. A range of scenery is available from Montpelier Studio, 4 Montpelier Street, London SW7 *which will also take* commissions.

RIGHT: Following hard on the heels of ber first popular sampler, Lynne Alderson of Clover Kits, has just introduced two new tapestry designs based on themes requested by her customers. Again the emphasis is on eminently pretty designs, that are straightforward to sew. *The first is Country Garden which features* a bouse surrounded by pink tulips, yellow dncks and daisies on the grass. A hlank is left for the name of your house, perhaps, or else the traditional Home Sweet Home. The second, shown right, is Cat showing an irresistible pink and white striped puss basking on a window sill. There are 10 easy holes to the inch and the canvas is printed in full colour. The kits come complete with Anchor tapisserie wool and cost £14.50 (p+p inclusive) from Clover Kits, 59 St Marks Road, *Henley-on-Thames, Oxfordshire* (tel 04912 77181).

F. McEWAN

Small is successful

TO READ a newspaper or to watch television these days gives such a depressing impression of Britain that it is heartening to hear that there are still businesses—and especially small businesses—which, despite the poor financial climate, are succeeding.

Although these enterprises are very different from each other in concept, they share certain factors in common which indicates their success is more to do with *good management than* good luck. The owners, all of them under 40, make a point of seeking out good staff and looking after them well. They *all are full of enthusiasm, high* on initiative, not scared of hard work and above all, they aim to offer the public an unusually good service. FAY SMYTH reports.

Trevor Humphries

The first example of *youthful* endeavour paying off is the Kensington hutcher's shop called HICKS, 97 Old Brompton Road, London SW7 (tel 01-581 5132). Originally a fairly run-of-the-mill establishment, it was bought up a year ago by 32-year-old George Wrey (right) and Anthony Trindle (left). Neither knew anything about meat, having previously heen in property, but they set out to learn by making contacts in Smithfield. From this they learnt that success depended on other things besides selling meat, however good and well hung.

The result is that they now specialise in game of all kinds when in season—pheasant, woodcock, mallard, widgeon, teal and grouse. They also offer a moutb-watering selection of pates, marmalades and preserves and, more importantly, a nationwide distribution of hampers which last Christmas went to all corners of Britain, from Sussex to Scotland.

Hampers are available during tbe shooting season and consist mainly of pheasant and woodcock, game pies (these are sold throughout the year at £1.65 a pound and are excellent value). Hampers ordered during the season could include a bottle of Famous Grouse Scotch Whisky. Their home-cooked hams flavoured with cider and glazed with hrown sugar and honey or marmalade are extremely popular. Smoked salmon is another speciality—wild, it sells for £7.50 a pound.

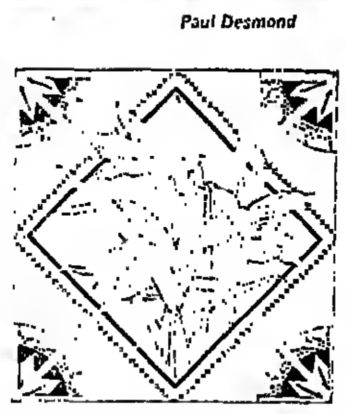
In addition to the smoked salmon all the lamh and beef come from Scotland, from a special supplier and nothing is deep frozen.

●

Paul Desmond

Number 178 Wandsworth Bridge Road, London SW6 (Tel. 01-731 60981, once a funeral perlour, has in the last two years heeo transformed by its two new owners into an attractive showplace for tiles of all sorts. Besides simple modern tiles in a wide range of colours (at £3.50 sq yd, they are considerately cheaper than the average eouivalent elsewhere) the REJECT TILE SHOP stocks e charming range of patterned tiles (from £5 sq yd). Many are old ones ferreted out at sales of Victorian and Edwardian houses and disused churches—the very properties they are now being bought for to restore. One of my favourite designs, is a group of four handpainted tiles, each 6 ins square, featuring a palr of parrots, £15 the set.

Orders come in form as far afield as Mauritius and Sierra Leooe sometimes for as many as 5,000 tiles at a time. There is no delay in supplies, and if you find after some time that you want more of a certain tile, the shop will do its best to oblige as *quickly* as possible.



●

In an entirely different field, the next success story concerns six young men and women, all related with the name of Gilbey. Six years ago, they opened a wine bar, the ETON WINE BAR at 82/3 High Street, Eton, Windsor, Berks (tel Windsor 54921/55182) providing delicious food and wine.

Wine hars are of course nothing new to most British towns, but the Gilheys have come up with the novel idea of offering customera entire cases of wine (12 bottles) at wholesale prices. These need not be all of the same wine and can include sherry. You can try out a glass of "blanc de blanc" and then huy a dozen bottles at just £1.87 each. Those who live within a reasonable radius of the shop and who huy three or more cases are entitled to free delivery. All the wines are French and carefully selected hy the Gilheys themselves, often from quite small vineyards.

So popular is tbis wine offer that the Gilbeys have now opened a sales office in London called M AND W GILBEY at 172 Bishops Road, Fulham, SW6 (tel 01-736 25521, to cope with the demand. Contact the Gilheys at either address for full details of their wine offers.

●

COUNTRY HOP PILLOWS, made by Harbro Soundsleep, The Maltings, Horsecroft Road, Bury St. Edmunds, Suffolk. (Tel. *Bury St. Edmunds 2275*) are a time honoured method of inducing deeper sleep. Insomniacs take *note.*

Director Simon Harding, once working with the Ministry of Agriculture, was so impressed by his teacher wife's success in making and selling pillows in her spare time, that he left his job to open a small works devoted to full-time production of the pillow. That was two years ago and he has just celebrated the *sale* of his 100,000th pillow.

Down the centuries, hops have been renowned for their soporific qualities, apart from their role in flavouring beer. George III is reputed to have benefitted *from* sleeping on such pillows. Today's versicns are much more comfortable. Measuring 18 by 28 in Harbro pillows are mixed with either hen feathers (£13.95), polyester (£14.50) or finest down (£28.50). *Each one* is hand *made.*

Find them in leading stores all over the country, including Jenners of Edinburgh, Harrods in London and Savory and Moore hranches or ohtain them direct by mail from Harbro *Soundsleep* which will send a free brochure and stockists' list on request.

BRIDGE

E. P. C. COTTER

CRASHING the opponents' trump honours is e aatisfying manoeuvre, which receives a certain amount of attention in the textbooks. Here is an example from rubber bridge, which is worthy of sarious study:

N
♠ 5
♡ 8 3
◇ Q J 8 4 2
♣ A K 8 7 3

W
♠ K J
♡ K Q 7 5 2
◇ K 3
♣ J 9 4 2

E
♠ Q 9 7 4 3
♡ J 10 6 4
◇ A 5
♣ 10 6

S
♠ A 10 8 6 2
♡ A 9
◇ 10 9 7 6
♣ Q 5

With East-West vulnerable, West dealt and opened the bidding with one heart, and North competed with two no trumps—the Unusual No Trump, asking partner to take out into his better minor suit. This bid should show 5-5, preferably 6-5, in clubs and diamonds, and is primarily a defensive bid, suggesting a possibly profitable sacrifice. East refused to he shut out, and raised his partner to three hearts. Now the ball was in South's court. With four *diamonds, an honour* in clubs and two Aces, South had no hesitation in hidding five diamonds, which concluded the auetion.

West led the heart King, and South had a tough problem to solve. With the opponents bolding the Ace and King of trumps, how was be to dispose of his heart loser? Clearly clubs offered the only bope of salvation—if the suit broke 3-3, which was against the odds, he would be all right. He cashed the club Queen, crossed to dummy's Ace, and continued with the King. East ruffed with the five of diamonds, and South overruffed with the six. The declarer now cashed his Ace of spades, ruffed a spade on the table, and returned a club which he ruffed in hand. He led another spade, on which West threw a heart—to ruff with the trump King would not do any good, because the declarer would merely throw dummy's remeining heart. Now the established eight of clubs was led, East threw a heart, and so did the declarer. West bad to ruff with his diamond three, and returned the Queen of hearts. This was ruffed in hand by the nine of diamonds, and South led his last trump, the ten, on which West's King and East's Ace fell ingloriously together, and the contract was made.

The next example from match-pointed pairs illustrates trump control:

N
♠ 4
♡ Q 10 7
◇ K 10 7 6
♣ A K J 10 3

W
♠ K Q J 8 2
♡ 5 3
◇ Q J 8 4
♣ 9 5

E
♠ 9 6 3
♡ J 6 4 2
◇ 9 5 2
♣ 7 6 4

S
♠ A 10 7 5
♡ A K 9 6
◇ A 3
♣ Q 8 2

North dealt at game to North-South and bid one club, and South replied with one spade. North could only rebid two clubs, but now South forced to game with three hearts. When North raised to four hearts, South sbould bave said five clubs, which would have led to a cast-iron slam in clubs, but in view of the match-point scoring he decided to bid six hearts.

West led the spade King, South won in hand, and considered the position. Any attempt to ruff a spade on the table and then draw trumps would result in defeat if a defender turned up with four hearts to the Knave. Trump suits divided 4-3 require the most delicate handling. The proper continuation at trick two is to lead a heart and finesse the ten on the table. If this wins, trumps are drawn—a 5-1 division must be discounted—and twelve tricks are on ice. If East wins with the Knave, South wins any return, ruffs a spade on the table, draws the trumps, and again comes to twelve tricks with three hearts, one spade and a spede ruff, two diamonda, and five clubs.

The declarer should see from the start tbat he can afford to lose one trump trick.

CHESS

LEONARD BARDEN

SOME chessplayers are noted for their ability to surpriae higher rated opponents, but from the viewpoint of practical success it is more *useful to be* aupremely competent against weaker opposition. Tony Miles, Britain's No 1 for the best part of a decade, gained a world reputation hy his 1 P-K4, P-QR3 win over Karpov but in general is at his most effective in defeating lesser lights.

There is a revealing statistic about Miles in the information sheets abont *individual* players sent out in conjunction with the annual vote for the chess Cscar. During 1981 Miles competed in four highly rated grandmaster tournaments hut won only two games out of 38 where he met fellow-GMs. He drew 25, lost 11, and scored his points from the masters and untitled pleyers. A similar pattern continued in his latest event at Porz where he demolished the tail-enders hut lost badly to the overall winner Tal.

Several times since 1976 Miles has looked set to establish himself among the 2600-rated elite of super-grandmasters. His inability to score consistently against the very best seems the principal factor which has kept him slightly below the world top. Now there is a basic change in his position following his controversial decision to withdraw from the current world individual championship series. His main argument was that even if he won through to the candidates matches he would be at too great a disadvantage against the Russian logistic back-up of seconds and trainers.

John Nunn, Miles's major British rival, chose another course and his steady advance *culminating* in *his victory at* Wijk has put him ahead of Miles in the world rankings. If Nunn qualifies for the world title interzonals he could be a serious contender for a place in the candidates.

Miles has always appreciated challenges and specific targets; be fought with concentrated energy to become the first British junior world champion and grandmaster. More than most players, be dislikes being "only" second. It could be that the rise of Nunn will provide the stimulus to finally establish himself as a 2600+ GM; we shall find out in April when he takes on Karpov, Spassky, Nunn and the rest of the elite in the Phillips and Drew Kings.

Miles's technique against lower ranked opponents is always instructive. Every move is made to count, and the pressure never lets up. An example from his latest tournament:

White:
GM Tony Miles (England)
Black:
Dr Paul Tröger (West Germany)
Slav Defence (Porz 1982)

1 P-Q4, P-K3; 2 P-QB4, P-Q4; 3 N-QB3, P-QB3; 4 B-B4, B-Q3? 5 BxB, QxB; 6 P-K4! PxKP? (Black should keep the game closed by N-K2!; 7 P-B5!

Much superior to the routine 7 NxP. White at once fastens on *the Q6 square* weakened by Black's exchange of hishops. If now Q-B5; 6 P-KN3, Q-B4; 9 B-N2, N-B3; 10 Q-B2 regains the pawn with advantage!

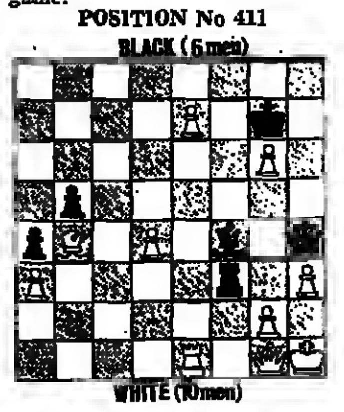
7...Q-K2; 8 NxP, N-B3; 9 N-Q6 ch, K-Q1; 10 N-B3, N-K1; 11 N-B4, P-QN4? (*P-QN3 was the* last chance for real resistance): 12 N-R5, Q-B2; 13 Q-Q2, N-Q2; 14 N-K5! NxN; 15 PxN dis ch, K-K2 (if B-Q2; 16 0-0-0!; 16 Q-Q6 ch!

Forcing a won endgame, and a classical *example* of an *active* white hishop against its black counterpart hemmed in hy pawns.

16...QxQ; 17 BPxQ ch, K-Q2; 18 R-B1, P-B3; 19 P-B4, P-N4; 20 P-KN3, NPxP; 21 B-N2! R-QN1; 22 BxP ch, K-Q1; 23 P-Q7, BxP; 24 R-Q1, Resigns. White wins a piece and the game.

POSITION No 411

BLACK (6 men)

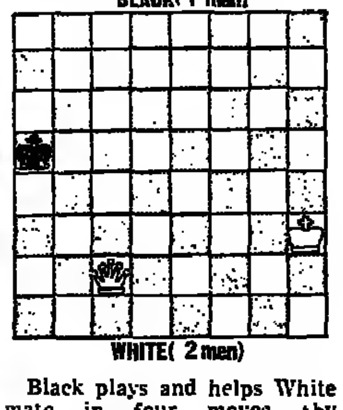


WHITE (10 men)

Spassky v Korchnoi, Moscow 1955. Ex-world champion Boris Spassky will he among the elite field in the Phillips and Drew Kings at County Hall, London, on April 15-30. In this diagram as White (to move) he is four pawns up with a pawn poised to promote hut Korchnoi has a dangerous counter-attack. What should Spassky play?

PROBLEM No 411

BLACK (1 man)



WHITE (2 men)

Black plays and helps White mate in four moves (by R. Forster, 1966). The mating sequeoce consists of four black moves and four white moves. Black moves first and both sides then co-operate so that White checkmates on his fourth move.

Solutions, Page 12

ARTS

The Kennedy moment

BY B. A. YOUNG

I couldn't resist listening to a play called *Where Were You the Night They Shot the President?* Myself, I was in the bar of the Ritz, with Henry Fairlia and Sriol Hugh-Jones, with whom I was to collaborate on a book. Eighteen-year-old Richard Mason, on Radio 4 on Monday, was in bed with his girl-friend's mother. His girl-friend was having an abortion that went wrong. His former schoolmaster was competing with his girl-friend's mother for his affection. His mother was at home watching the television.

It's an effective formula, the *Bridge of San Luis Rey* formula, to choose a particular moment and halt the march of time while you see what an assortment of people were doing. Martyn Read has made sure in his play that there was plenty of simultaneous action going on. Richard, nicely played by Dominic Guard, is a believable boy, well aware that "Major" Breeze (who must have met Captain Grimes at some time) is less concerned with his career than with himself. Judith, 25 years his senior, takes him over when her daughter Angie goes to art school in London, already the victim of Richard's caddish friend Taylor. Judith, Annette Crosbie in good form, may have been immoral, but at least she gave Richard a good time until the jealous Major interfered.

Five minutes after the play ended, I knew that it was all a dramatic Meccano set rather than a slice of life; but a play that holds the attention for 90 minutes has virtues not to be sneered at. David Spenser directed.

Five minutes before the play began, I heard another reaction to Kennedy's death, "Sad day in Texas," a blues song played and sung by Otis Spann; and before that, another blues called "Tell me why you liked Roosevelt," sang by Otis Jackson. These remarkable records were in the seventh of Francis Smith's series of eight programmes on *Aspects of the Blues*, which I wrote about a week or so ago. This programme was labelled "People," and dealt not only with well-known figures but with employers or friends. Each week makes this series more interesting; but there won't be a programme on Monday, not until Monday week.

"Dead men live on lips of living men," Samuel Butler said. *Beyond the Threshold*, Radio 4's programme last Saturday, told of the foundation and progress of the Society for Psychical Research, which since 1882 has been trying, among other things, to find out whether dead men may communicate with living men.

The Society is such an eminently serious and respectable organisation that June Knox-Mawer could not give her account of it any of the creepy qualities the programme's title may suggest. Most of the people concerned have been dons or other intellectuals; their purpose (as expressed in the Journal of the Society) is "to examine without prejudice or prepossession and in a scientific spirit those faculties of man, real or supposed, which appear to be inexplicable on any generally recognised hypothesis"; and the programme was a serious as that.

All the same, we heard some eerie stories from the Society's history, such as the "cross-correspondences" in which various people began automatic writing in which, though they were not in communication, they made references to identical matters. As Brian Inglis said, some things that were once thought to be extraordinary are now not uncommon—metal-bending à la Uri Geller, for instance. (I have sat at a luncheon-table where Uri Geller was of the company and watched a silver fork bend by itself.) The most curious story we were told was of Philip the "thought-form." Philip was a deliberately invented fiction, an imaginary historical character. At a séance that his inventors attended, Philip was able to answer questions put to him by the usual "rapping" process, though every precaution was taken to avoid the possibility of deception.

If it could be done without offending sensitive people, it seems to me that radio is the ideal medium for the investigation of ESP. Even for the simple experiments like guessing the designs on cards, there could be no surer way of preventing the guesser from cheating than to have him hundreds of miles away with no communication but a radio set. Whether the world is any better off for containing people who can guess the designs on hidden cards is another matter; but it does come into the terms of the SPR's purpose.

Scottish theatre is entering an adventurous period. Michael Coveney reports on a recent visit

The art of Glasgow town

England only pays any attention to the Scottish theatre at Edinburgh Festival time. London critics always head for the Traverse Theatre Club in Edinburgh to pick up the buzz on the fringe and any new Scottish plays that might be worth a line or two. Some of these then drift south during the winter months, and close encounters with such vibrant touring companies as 7:84, Wildcat or Borderline are filed for future, often passing, reference.

To visit the Scottish theatre out of season, as it were, however, is a bracing experience these days. There is an unmistakeable mood of adventure and optimism in the air. And the winds of change are blowing most forcefully not in Edinburgh (where the Traverse has been closed, due to financial problems, since last year's Festival, and the Edinburgh Lyceum's bill of fare is indistinguishable from many an English repertory house) but in Glasgow.

The Citizens' remain a constant, exciting factor in Glasgow theatre. An important Genet retrospective is successfully under way, *The Balcony*, to be followed by the other two large canvas plays, *The Blacks* and *The Screens*. Simultaneously, the 7:84 (Scotland) Company under the direction of John McGrath has launched a season of working class drama dating from the heyday of Glasgow Unity in the Mitchell Theatre. And the Glasgow Theatre Club, formed in 1978, is producing new Scottish plays and cabaret in the Tron café while the body of the old 1793 Tron Kirk is transformed into a 200-seater theatre due to open in September or October of this year.

The Tron Kirk has a magnificent Robert Adam domed ceiling that has been repaired and replastered. The walls are to be left peeling rather like those of Peter Brook's Bouffes du Nord in Paris and the majority of the work, much of it undertaken by volunteers, is concentrated on the installation of heating and electricity. The Trongate area of Glasgow, thanks to the enlightened district council, is undergoing a substantial renovation. The old mercantile atmosphere is now replaced by a sort of new Covent Garden operation, with restaurants and wine bars opening up to accommodate the influx of the theatrical and artisan community.

For some years, the Glasgow Citizens' has been severely criticised in some quarters for not putting on new Scottish plays. The Tron sets out to fill this gap. The total cost of the renovation will be £½m, of which nearly £30,000 has so far been raised on appeal. Income from the Strathclyde Regional Council, the Glasgow District Council and the Arts Council has already met half of this overall cost, and there are no signs of support flagging.

Last week I saw a lunchtime performance in the Tron café of Tom Kinnimont's *Second Thoughts*, a sprightly, innocuous piece about three single people trying to pick each other up in a bar. The long bar is severely supervised by a huge statue of Robert Burns that once decorated the Citizens'. The audience sits at tables, eating and drinking.

The Scottish Society of Playwrights (whose attacks on the Citizens' have been so sustained and ungratefully shortsighted) will no doubt inundate the Tron with new projects. And the authors will no doubt be keeping a beady eye on the 7:84 season at the Mitchell. I saw an old-fashioned football play, *Gold in his Boots* (1947) by George Munro in which the hero's success on the field was philosophically undermined by Calvinism at home, managerial exploitation and wheeler-dealing, and the cynical observations of a sports journalist who has seen it all.

The plot takes some unwieldy twists and turns and, despite the odd felicity of social and linguistic observation, I don't honestly feel that the new Scottish writers have an awful lot to learn from John McGrath's production.

But the bond with Glasgow Unity must be honoured if McGrath wants to prove his thesis that there is more to the history of Scottish drama than James Bridie. Naturalistic, socially conscious drama was given a boost some eight years ago by Bill Bryden's company at the Edinburgh Lyceum. Those were the days of ambition for a Scottish National Theatre. The official view now—and one shared by everyone in the theatre and the Scottish Arts Council (who have £1.9m to dispense in 1982-83, an increase of 8.7 per cent)—is that the Scottish National Theatre should be manifest in the variety of work on offer, whether it be on tour, in Perth, at the Pitlochry Festival Theatre, the Citizens' or the Tron.

The Tron Kirk, a home for new Scottish plays

The Scottish Arts Council has a new drama director, Bob Palmer, who is viewed without suspicion by everyone I talked to. The feeling of fraternity among the theatre community is something England can only envy—even the latest enterprise, the Scottish Theatre Company formed under the artistic directorship of Ewan Hooper to tour with solid middlebrow work (a sort of Celtic Prospect), is politely discussed.

There is another sort of fraternity, too. Both 7:84 *and* Scottish Opera maintain close contact with the Scottish TUC. John McGrath thinks nothing of dialling the number of James Milne, the general secretary, from time to time. When did 7:84 (England) last have a chat with Len Murray?

Part of the purpose of the 7:84 season is to establish, however flimsily, a sense of tradition, to assert that there is a history of working class theatre of which the contemporary writers should be proud. Last year the Scottish Arts Council set up a Scottish Theatre Archive and its resident researcher, Linda Mackenney, is collecting scripts first performed by the Scottish National Players and Glasgow Unity and storing them safely. Memorabilia, photographs, cuttings and costumes are also being rounded up. The Scottish theatre would appear to be on the crest of a new wave, and confidence in the past is seen to be a crucial factor.

Brixton rock

BY LISA WOOD

Take the underground to Brixton, cross over the road by the nearby police station and arrive at London's newest and potentially most exciting rock venue.

For the half domed Astoria Cinema, a disused building, boarded up for years by its owners, Rank Leisure Services, has received a large injection of capital to metamorphise as the Fair Deal, with a capacity of 5,000, full catering facilities, an in-house video recording company and a sound recording studio. Offering a middle-size between the vast Wembley Arena and regular rock venues such as the Hammersmith Odeon, the venture has taken five years to get off the ground.

Rather unsubtly named — the intention being that tickets will not normally cost more than £5 — The Fair Deal is the dream of Alan Briggs, a rock promoter from Scotland. His partner in the enterprise is George Denham, a building contractor who is responsible for the front of house business which will include a public house in the vast entrance area.

But why Brixton? Ms Lois Grass of Briggs Gigs, the holding company, said: "A purpose-built venue was here which could accommodate all the activities." The cinema, for instance, was wired for talkies and has a full-sized stage and changing rooms as it was also intended for stage productions. "Alan Briggs also had sympathy with the area," said Lois Grass. South London generally offers substantial potential for this kind of investment while for Brixton the venue could bring Londoners back into the area and have a skim off for local traders.

Promoters have not yet jumped at the opportunities: "They believe people won't come to Brixton," said Ms Grass. "But again some people blamed the closure of The Rainbow, in North London, on people not wanting to travel late at night."

Interest is being shown, albeit cautiously, as promoters adopt a wait and see attitude, one which must be inevitable given the scale of the enterprise. A three-day invitation only preview last weekend brought about because the venue has not yet got a full licence, attracted a capacity audience on Saturday night. Two well known bands, UB40 and the Jam will perform in March when the venue is officially opened.

Sensible of local feeling on policing methods, Fair Deal has paid very visible attention to security, both on the doors and inside the venue.

"It is being established in the nicest possible way that we don't want drugs or pickpocketing" said Ms Grass. "We went to see the police and they came to see us." Last Saturday night the only overt police presence was the local beat officer. More than 80 per cent of the venue's security force are black; there is also a strong intention to offer as many as possible of the 200 jobs created to local people.

The most stunning feature of the enterprise is perhaps the venue itself. Built in 1930 it was designed by Edward Stone in the so-called atmosphere style. An Italian garden landscape, resplendent with a three dimensional villa envelops the stage and swirls around to the balcony. Greek Corinthian columns rub shoulders with statues, that could be mistaken for either classical Greek or Roman, while Cypress trees reach up to the ceiling. The only ingredient lacking is stars.

Boarded up for years, it would be cheering to believe that this new enterprise could do much to bring back commercial confidence to an area very much in need of it.

The Kirov in Paris

The Leningrad State Kirov Ballet is scheduled to play an extended season in Paris, at the Palais des Congrès (Porte Maillot) from April 17 to June 13 inclusive. Evening performances are at 8.30 pm. Sunday performances only at 3.30 pm. No performances on Monday.

The repertory includes *Swan Lake*, which receives the greatest number of performances; *Giselle*; *La Sylphide* (Bournonville, in a staging by Elsa Marianne von Rosen); *Le Révizor* (*The Government Inspector*), a new full-length ballet by Oleg Vinogradov, director of the company, with a score by Alexander Chaikovsky, and a divertissement programme comprising The Shades scene from *La Bayadère*, the Grand Pas from *Paquita* and a selection of pas de deux by Maurice Béjart, Dmitri Briantsev, Leonid Lebedyev, and Oleg Vinogradov.

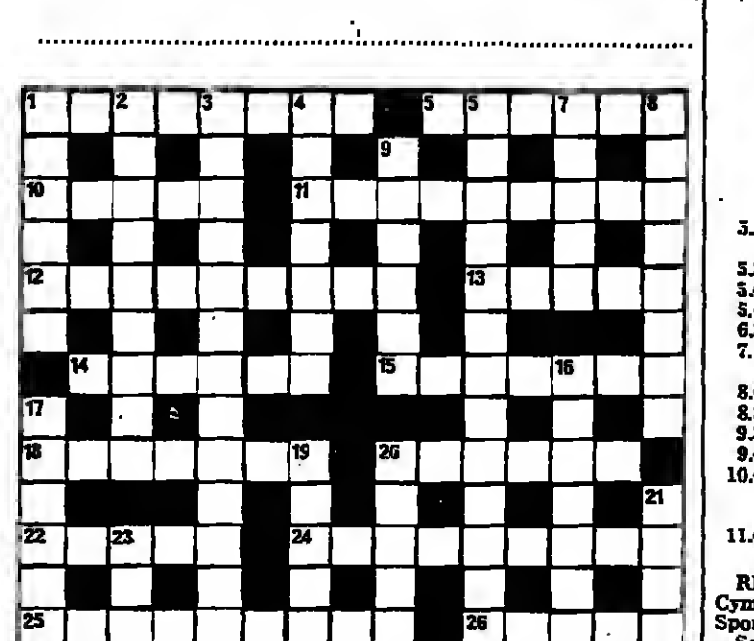
The orchestra of the Kirov Theatre will accompany the ballet.

F.T. CROSSWORD PUZZLE No. 4,803

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



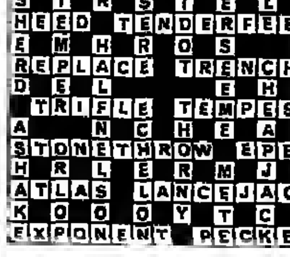
ACROSS

1 Oilmen's finishing-school? (8)
5 Irregular course taken by ewe? (6)
10 First capital gains tax, of course (5)
11 Eddy's big brother first reported off Norway (9)
12 Start backing bank in tea-break (9)
13 Raise cry of disapprobation on street (5)
14 See one run with legs in movement (6)
15 Farm overseer—Dick? (7)
18 Variegated carpets like some concrete (7)
20 Fair draw in voting trends (6)
22 Indispensably dense form (5)
24 Utmost respect for a party allowance (9)
25 Brought up carefully, but ate commonly with spoon-bender inside (9)
26 Trojan hippy? (5)
27 T. Tucker's tucker? (6)
28 Sad organ arrangement of Spanish composer (8)

DOWN

1 Motive-power of determining truth (6)
2 Reproduction of mice fails, if mixed (9)
3 Nightmarish note around the county (15)
4 Butter-paper storm...(7)
6 ...turning to rabid unions in rebelliousness (15)
7 Swordsman leaving a 5 mark? (5)
8 Beryl, perhaps, seen in digital display (8)
9 Medical answer? (6)
16 Highly praised when seen under glass (9)
17 Opportunities for doormen? (8)
19 Has try converted but it is not worth much (6)
20 Temperature dropping on Sunday—but still a roaster! (7)
21 No big drives in southern prisons (6)
23 Fit of pique (5)

Solution to Puzzle No. 4,802



TV/Radio

* Indicates programme in black and white.

BBC 1

6.25-8.55 am Open University (uhf only). 9.05 Swim. 9.30 Swap Shop. 12.12 pm Weather.
12.15 Grandstand including 12.55 News Summary; Football Focus (12.20); Racing from Chepstow (12.40, 1.05, 1.35); Boxing (1.25) British Light-Welterweight Title; Rugby Union (1.55) France v England and 3.45 Ireland v Scotland; Athletics (3.30, 4.30) Great Britain v West Germany; 3.40 Half-time football scores; 4.40 Final Score.
5.10 The All New Pink Panther Show.
5.30 News.
5.40 Sport/Regional News.
5.45 The Dukes of Hazzard.
6.35 Jim'll Fix It.
7.10 Nanny starring Wendy Craig.
8.05 The Les Dawson Show.
8.35 Dallas.
9.35 News and Sport.
9.40 Match of the Day.
10.40 Parkinson with his guests Chesney Allen, Roy Hudd and Christopher Timothy.
11.40 Golden Soak by Hammond Innes.

REGIONAL VARIATIONS: Cymru/Wales — 5.40-5.45 pm Sports News Wales.

Scotland—9.05-9.30 am Mag Is Mog. 12.15-4.55 pm Grandstand: details as BBC1 except Rugby: Ireland v Scotland. 5.40-5.45 Scoreboard. 9.40-10.40 Sportscene. 12.30 am News and Weather for Scotland.

Northern Ireland — 12.15-4.55 pm Grandstand: details as BBC 1 except Rugby: Ireland v Scotland. 5.00-5.10 Scoreboard. 5.40-5.45 Northern Ireland News. 12.30 am Northern Ireland News and Weather.

England — 5.40-5.45 (South-West) (Plymouth): Spotlight Sport. All other English regions: Sport/Regional News.

BBC 2

6.25 am-3.10 pm Open University.
†3.15 pm Saturday Cinema Double Bill: "My Forbidden Past," starring Robert Mitchum, Ava Gardner.
†4.20 "The Lady Pays Off," starring Linda Darnell.
6.40 The Flight of the Condor.
6.35 Fit . . . As A Fiddle?: A look at the dangers of asbestos poisoning at work.
7.10 News and Sport.
7.25 Did You See . . ?
8.05 La Boheme from the Royal Opera House, Covent Garden.
10.10 Film International: "Passe Ton Bac D'abord," (French film with English subtitles).
11.30 News on 2.
11.40 The Light of Experience.
†11.55-1.35 am Midnight Movie: "The Frightened City," starring Herbert Lom and Sean Connery.

LONDON

8.35 am Sesame Street. 9.35 Space 1999. 10.30 Tiswas.
12.15 pm World of Sport: 12.20 On the Ball; 12.45 Athletics from California; 1.00 High Diving from California; 1.15 News; 1.20 The ITV Six from Newcastle and Nottingham; 3.00 Table Tennis—Norwich Union English Closed Championships; 3.45 Half-time Soccer news and reports; 4.00 Wrestling; 4.50 Results.
5.05 News
5.15 Happy Days
5.45 Dick Turpin
6.15 Mind Your Language
6.45 3-2-1 presented by Ted Rogers
7.45 Hart to Hart starring Robert Wagner and Stefanie Powers.
8.45 News
9.00 "Lady of the House," starring Dyan Cannon
10.50 OTT
11.50 London News Headlines followed by Johnny Carson's Tonight Show.
12.30 am Close: Sit Up and Listen with Elisabeth Lutyens.

All IBA Regions as London except at the following times:—

ANGLIA

9.00 am Sesame Street. 10.00 Sport Billy. 5.15 pm Mr Merlin. 7.45 Magnum. 11.50 The Amazing Years of Cinema. 12.20 am At the End of the Day.

BORDER

0.35 am Thunderbirds. 5.15 Mr Merlin. 7.45 Magnum. 10.58 The Show Stoppers.

CENTRAL

9.05 am Paint Along With Nancy. 9.30 Sesame Street. 5.15 pm Mr Merlin. 7.45 Magnum. 9.00 Saturday Cinema: "The Virgin Soldiers," starring Hywel Bennett and Lynn Redgrave. 11.50 Lots of Luv.

CHANNEL

5.15 pm Mork and Mindy. 5.40 Puffin's Pla(i)ce. 7.45 The Fall Guy. 11.50 Video Sounds.

GRAMPIAN

9.00 am Sesame Street. 10.00 Joe 90. 5.15 pm Mr Merlin. 7.45 Magnum. 11.50 Reflections. 11.55 Curling.

GRANADA

9.20 am Spiderman. 9.40 Thunderbirds. 5.15 pm Cartoon. 5.20 Chips. 7.45 Magnum. 11.50 Mannix. 12.45 am The Living Legends of the Blues, with B. B. King.

HTV

9.10 am The Adventures of Black Beauty. 9.35 Thunderbirds. 12.13 pm HTV News. 5.14 HTV News. 5.15 Mr Merlin. 7.45 Magnum. 9.00 "The Virgin Soldiers," starring Lynn Redgrave, Hywel Bennett, Nigel Davenport and Nigel Patrick. 11.50 Mannix.

HTV CYMRU/WALES—As HTV WEST except: 9.10-9.35 am The Book Tower. 6.15-6.45 pm Sion a Sian.

SCOTTISH

9.15 am Vicky the Viking. 9.40 Thunderbirds. 5.15 pm Mr Merlin. 11.50 Late Call. 11.55 Curling—Lang's Supreme Curling Championship.

TSW

9.10 am Wheelie and the Chopper Bunch. 9.30 The Saturday Show. 10.30 The Incredible Hulk. 11.20 Survival. 11.45 University Challenge. 12.12 pm TSW Regional News. 5.15 Mork and Mindy. 5.40 Newsport. 7.45 The Fall Guy. 11.50 Video Sounds (Judie Tzuke). 12.20 am Postscript. 12.25 South West Weather.

TVS

9.00 am Saturday brief. 9.05 Sesame Street. 10.00 Here's Boomer. 10.30 No. 73. 5.15 pm TVS News. 5.20 Mr Merlin. 7.45 Magnum. 11.50 Barney Miller. 12.20 am Company.

TYNE TEES

9.00 am Cartoon Time. 9.10 Sport Billy. 9.40 Thunderbirds. 12.13 pm North East News. 5.17 Mr Merlin. 7.45 Magnum. 11.50 House Calls. 12.20 am Three's Company.

ULSTER

10.00 am Stingray. 1.15 pm Lunchtime News. 5.00 Sports Results. 5.13 Ulster News. 5.15 Mr Merlin. 7.45 Magnum. 8.59 Ulster Weather. 10.50 The Monte Carlo Show. 11.40 News at Bedtime.

YORKSHIRE

9.00 am Cartoon Time. 10.05 The Saturday Morning Picture Show: "Trouble in Store." 5.15 pm Mr Merlin. 7.45 Magnum. 11.50 That's Hollywood.

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave only

5.00 am As Radio 2. 7.00 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Peter Powell. 12.00 My Top 20. 1.00 pm Adrian Juste (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 Walters' Weekly (S). 5.00 Rock On (S). 6.30-7.30 In Concert (S).

RADIO 2

5.00 am News. 5.03 Peter Marshall with The Saturday Early Show (S). 8.02 Racing Bulletin. 8.04 David Jacobs (S). 10.00 Star Choice (S). 11.02 Sports Desk. 11.03 The Kenny Everett Radio Times Spectacular (S). 1.00 pm Know Your Piece. 1.30 Sport on 2: Rugby: France v England, Scotland v Ireland; Football: second half commentary on a top League game; news of others; Cricket: Sri Lanka v England. 5.00 Sports Report; 5.45 Classified Racing and Football Results. 6.00 Country Greats in Concert (S). 7.00 Beat the Record. 7.30 Big Band Special (S). 8.00 Saturday Night is Gala Night: "An Evening in Vienna," (S) including 8.50-9.10 Interval, talk, by Peter Clayton. 10.00 A Century of Music (S). 11.02 Sports Desk. 11.10 Pete Murray's Late Show (S). 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.15 Bandstand (S). 11.45 I Know What I Like (S). 1.00 pm News. 1.05 Early Music Forum (S). 2.00 Play It Again (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 French Songs (S). 7.30 BBC Symphony Orchestra in Leeds (part 1): Mozart (S). 7.55 Green Sky Over White Sand: 8.15 BBC Symphony Orchestra (part 2): Bruckner (S). 8.45 Letter From New York. 10.05 Music for Cello (S). 11.00 News. 11.05-11.15 Things Lived and Dreamed (S).

MEDIUM WAVE as above except as follows: 7.20-11.45 am Cricket: Test Match Special, Sri Lanka v England.

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather, programme news. 7.00 News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather, programme news. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.50 Yesterday in Parliament. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm Money Box. 12.27 Just a Minute (S). 12.55 Weather, programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Thirty Minute Theatre (S). 2.35 Medicine Now. 3.05 Wildlife. 3.30 The British Seafarer (S). 4.15 Feedback with Tom Vernon. 4.30 Does He Take Sugar? 5.00 Novels Up To Now. 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather, programme news. 6.00 News. 6.15 Desert Island Discs. Castaway: Petula Clark (S). 6.55 Stop the Week with Robert Robinson. 7.35 Baker's Dozen (S). 8.30 Saturday Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Witch-hunt in St. Osyth. 11.00 Lighten Our Darkness. 11.15 A Word in Edgeways. 11.45 On the Train to New Zealand. 12.00 News.

BBC RADIO LONDON

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News, Weather, Travel. 8.05 Weekend What's On. 8.30 Travel Round-up. 8.33 Westminster at Work. 9.03 On the Retos. 9.30 Openings. 10.02 All That Jazz. 11.30 The Robbie Vincent Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 5.00 Guideline. 5.30 Quest. 6.00-5.00 am Join Radio 2.

LONDON BROADCASTING

7.00 am AM with Jenny Lacy and Magnus Carter. 10.00 Jellybone with Tommy Boyd. 12.00 LBC Reports with Greg Strange. 1.00 pm Sportswatch with Dominic Allen. 6.00 LBC Reports with Greg Strange. 7.00 Geet Mala. 8.00 Network. 9.00 LBC Special. 10.00 Nightline with Therese Birch. 1.00 am Night Extra with Steve Allen. 4.00 Hayes on Sunday. 4.30 Decision Makers. 5.00 Morning Music.

CAPITAL RADIO

7.00 am Graham Dene's Breakfast Show. 9.00 Countdown with Peter Young. 12.00 Dave Cash's Cash Country. 3.00 pm Duncan Johnson's Afternoon Delight. 6.00 Greg Edward's Soul Spectrum. 8.00 Juke Box Saturday Night. 9.00 Capital Re-Cap with David Castell. 10.00 Roots Rockers with David Rodigan. 12.00 Midnight Special—Phil Allen.

TV Ratings w/e Feb. 14

U.S. TOP TEN (Nielsen ratings)

1	ABC Monday Night Movie (movie)	(ABC)	30.2
2	Dallas (drama)	(CBS)	27.5
3	Three's Company (comedy)	(ABC)	25.8
4	60 Minutes (news)	(CBS)	24.5
5	Too Close For Comfort (comedy)	(ABC)	24.3
6	Hart To Hart (drama)	(ABC)	24.0
6	Dukes Of Hazzard (comedy)	(CBS)	24.0
8	Magnum P I (drama)	(CBS)	23.4
9	Real People (comedy)	(NBC)	23.3
10	Olivia Newton John special (music)	(CBS)	21.6

CHESS SOLUTIONS

Solution to Position No 411

1 Q-R2! and Black resigned. Not 1 PxR?? QxP ch nor 1 P-K8=Q?? RxP Ch when Black wins.

Solution to Problem No 411

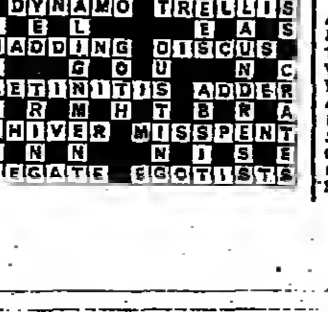
1 K-N5 Q-KR2 2 K-B6 K-N2 3 K-Q7 K-B3 ch 4 K-K8 Q-K2 mate.

SOLUTION AND WINNERS OF PUZZLE No. 4,797

Mr K. G. Quicke,
3015 Wennigsen, Bierweg 2,
W. Germany.

J. S. Barber,
9, Tyne Road, Oakham,
Rutland, Leics. LE15 6SJ.

Mrs M. Smith,
39, Station Road, Thorney,
Peterborough. PE6 0QE



COLLECTING

Middle class furniture

BY JUNE FIELD

Edwardian oak roll top desk, £400, and Victorian cane seat swivel chair, £120, featured in Phelps folder of Victorian and Edwardian furniture, Twickenham, Middlesex.

OPPORTUNITIES TO furnish a house with good quality period furniture of what the trade calls the middle range, have never been so good. Simple basic pieces decorative or useful, or both, produced by lesser known makers, which do not cost any more, and are often less, than their modern counterparts, are widely available around the country in antique shops, markets and auctions.

While it is obviously sensible to buy the best quality items, the dictates of one's pockets have to be observed too. Although it may mean higher returns when you come to sell, as Victor Chinnery, author of *Oak Furniture — The British Tradition* published by the Antique Collectors' Club, recorded in a recent club journal: "Profit making is the dealers' trade; but for the collector there are other riches. His are the aesthetic and spiritual pleasures of choosing and living with fine and beautiful objects. If he sees a profit when he later decides to sell something, then that is his bonus."

The important thing, as Mr Chinnery went on to explain, is to take the trouble to learn a subject well, buy with some measure of good judgment, and seek a reputable opinion where needed.

Those collecting the better quality 19th-century Continental furniture should consider their investment as long term, insists Christopher Payne, head of the furniture department and a director of Sotheby's Belgravia: "Five years is the minimum advisable turn-around, but 10 years is a more realistic period." Mr Payne, also the author of the *Price Guide to 19th-Century European Furniture* published recently by the Antique Collectors' Club, recommends looking out for small useful items such as tables de chevet (specially for the bedside, a marquetry version c1880 with three small drawers sold last year at Belgravia for £520), and guéridon tables (small round tables) which now realise anything from £300 to £700.

In the Georgian mahogany market there are bargains among the bigger pieces. Late Georgian chests of drawers with straight fronts and over 36 inches wide, can still be bought for between £75 and £150, although bow fronts often command nearer £300; while recently at a dealer in the north I saw an elegant George III *demi-lune* mahogany sideboard with tambour front and fine inlay, maximum width 69 inches, for £1,100. If you only have £1,000 to invest overall, Adrian Frazer of Christie's South Kensington observes that he would buy a good clothes press for about £200 to £250, a bowfront chest for £150 to £200, a toilet mirror for £50 to £100, and with what was left, "the best bureau I could find."

One irritating habit of the antique dealer's trade that is only gradually losing its hold is the long-standing tradition of not openly disclosing what an object costs.

D. Kevin Smith, chairman of Windsor House Antiques at Leeds, who produce an excellent illustrated catalogue with everything priced, admits that this is still fairly unusual in the trade: "But in deciding to do that, we are simply stating that we are not ashamed to publish figures which we consider are strictly commensurate with the period, quality and condition of the articles we are offering.

"For the last 20 years Windsor House has been primarily concerned with supplying the UK and overseas trade. The idea behind the promotion is basically to extend our market more into the private sector, as well as to show home and overseas dealers some idea of our extensive stock."

The catalogue covers everything from period "partners" desks (from about £1,350), to Victorian Wellington chests (the seven drawers useful for storage), from £395; both in demand for office and boardroom, to massive breakfront bookcases, clocks, candlesticks and coffee pots; while of a Chippendale period mahogany bureau at £1,950, there is an interesting note to the fact that although the glazed bookcase top appears to be original to the base, the fact that it is not, makes the piece worth less than half the price a completely original bureau-bookcase of this period would be.

Collins Antiques founded 75 years ago in Wheathampstead, Hertfordshire, produce a loose-leaf folder of their 17th, 18th and 19th century furniture and works of art. Novel items currently on offer include a cane-work cradle, c. 1860 (£225), a cellarette c. 1780, converted to a work-box (£270), and a cattle-float made for the 10th Earl of Cavan, £950.

Phelps, started in 1870 in Broad Street, Teddington, Middlesex, by James Phelps as a "Complete House Furnisher and Ironmonger," and now run by John, Robert and David Phelps, issues a useful booklet *Antique Furniture Hints on Care and Collecting*, with its furniture folder.

To preserve the patina of old furniture it recommends using a beeswax polish very sparingly, and polishing off in the direction of the grain of the wood, minimising scratches by rubbing over with a dark stain wax, or a brazil nut kernel, and drawing out heat rings and water marks with a soft cloth lubricated with linseed oil to gain heat friction. Leather can be cleaned by wiping over with a cloth wrung out in warm glycerine soap solution followed by a proprietary hide food; drawers that bind can be eased with candle or beeswax to sides and runners.

Subscription Antique Collectors' Club which includes monthly journal, £8.95, overseas £10 (air mail £28), to John Steele, 5, Church Street, Woodbridge, Suffolk, who will also send details of their publications. Free catalogues: D. K. Smith, Windsor House Antiques, 18-20, Benson Street, Leeds; M. C. Collins, Collins Antiques, Wheathampstead, Hertfordshire; Peter Farrow, Phelps, 129-135, St Margaret's Road, East Twickenham, Middlesex. Lists of dealer members for stamped addressed envelope from British Antique Dealers' Association (BADA), 20, Rutland Gate, London SW7, and London and Provincial Antique Dealers' Association (LAPADA), 112, Brompton Road, London SW3.

The salmon that made 72 tins

FISHING

JOHN CHERRINGTON

AT A rather sombre gathering a few years ago I was shown a photo of an enormous salmon, taken in British Columbia which seemed to be as tall as the lady holding it. "What a marvellous fish" I said "did you have it smoked?" The reply was: "No, it made 72 tins, the best ever result."

This utilitarian attitude to the noblest fish in British waters took my breath away. There are hundreds of ways of consuming a salmon. But to shut it in a metal box to secure something you could buy on any grocery shelf seemed a poor sort of result. It reduces fishing to the level of farming in which results are recorded in cash terms or in units of protein. It is not that I believe the angler in this case needed the food because of economic stress. He was not even in the position in which I found myself in my young days, when the odd pheasant I shot was sold to buy sausages to feed my hungry family. Pheasant might have given them ideas above their station.

Record fish are to be cherished and treated with the greatest of respect. But there are times when they are essential to life and failure to be absolutely ruthless in their pursuit could lead to destitution. Negley Farson describes in his book "Going Fishing" how when he was broke he moved to a lake in British Columbia in the twenties, and sustained himself with rod, gun and a typewriter until ambition or some other base motive compelled him to seek the bright lights.

The picture he paints of life on his lake is idyllic. He fished and shot by fair means or what a purist would call foul, to feed his wife and his neighbours. So much so that had I read it before I assumed the responsibilities of modern life I might have emulated him.

It's not that I didn't have my chance. At 19 I could have slipped from the sheep farm I was working on in New Zealand into a bush cabin surrounded by deer, trout rivers, and with rabbits to fall back on. But unlike him I had no wife at the time prepared to share the really simple life. And do the cooking which I disliked.

But Farson managed to have the best of several worlds. One of the best known journalists of his time he combined his work with fishing in a way for which I have the greatest admiration. His journeys took him all over Europe. Even carrying a rod case on horse back in the Caucasus, and showing the Communists who swore by the worm that there was a better way, a fly.

In Chile he fished a river with success where I had absolutely none, and several other rivers in other parts of the world it was the same story.

Not to worry. His enthusiasm infected me when I first read the book and it is just as compelling today.

"Going Fishing" by Negley Farson, Clive Holloway Books, £9.95.

After the wedding

STAMPS

JAMES MACKAY

THROUGHOUT 1981 the "second market" in stamps was in the doldrums, with little sign of a recovery after the very considerable fall in value over the past two years, due to the *continuing recession* in Britain and North America. As inflation continued to rise faster than wage increases and both interest rates and tax *levels rose inexorably*, there has been less disposable income for collectors to invest in their hobby. Against this, however, is the psychological factor which impels philatelists to stick with stamp-collecting come what may. For this reason, therefore, the primary market tends to be as strong as ever.

During a recent visit to the leading German stamp dealer, Borek of Brunswick, I noted the staff of the new-issue department working flat out, making up batches of the latest stamps to be mailed to clients. On inquiring what was the cause of all the frenzied activity, I was given the laconic answer, "the Royal Wedding, of course."

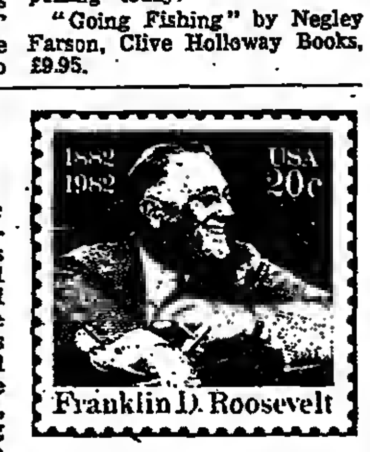
July 29, 1981 seems a long time ago now, but one would think it was only yesterday, as stamps continue to appear in honour of the event. As I write this, the latest Press announcements include miniature sheets from Nevis and Paraguay, and significantly, a crop of second or even third issues from some countries. The Cook Islands group, including Aitutaki and Penrhyn which also produce their own distinctive stamps, have already had sets showing the Prince of Wales from the cradle onwards, plus the same sets surcharged for International Year of the Disabled, and are now launching commemorative stamp booklets.

North Korea has just released a second series, comprising a sheet of four different stamps as well as a miniature sheet, while Uruguay has also produced a second series consisting of seven stamps side by side, three separate stamps and two miniature sheets. Not so long ago stamps celebrating a royal event such as this would have been confined to the British Commonwealth, but now such occasions are regarded as fair game to all and sundry, regardless of their connection with Britain, or their political outlook.

The collectors who started last July with the intention of forming a Royal Wedding collection and who have since subscribed to one or other of the services offered by the major dealers, have the remedy in their own hands. They can stop subscribing any time they feel that the issue is getting out of hand, but the dealers, already beset by cash-flow problems, cannot disengage themselves so easily once they are committed to stocking a certain theme. Such has been the volume of material in the past few months that Stanley Gibbons have taken the unprecedented step of preparing a separate catalogue of Royal Wedding stamps, to be published in March or April. This will not only list all the basic stamps, but will include first day covers, gutter pairs, cylinder blocks, specimen overprints, sheetlets, booklets, errors varieties and the whole gallimaufry of nuptial philately.

No sooner will the Wedding issues be completed than the Royal Birthday will be upon us. This, in fact, promises to be a double event, with Princess Diana celebrating her 21st around the time of the impending birth.

The Crown Agents have started the ball rolling by announcing an omnibus issue in honour of the Princess's birthday. One may be sure that this issue will be restrained, but inevitably other countries will



jump on the bandwagon. Collectors might do well to restrict their interests to the stamps from those countries which did not overdo the Wedding stamps, and ignore the rest.

Meanwhile, 1982 promises to be a frantic year for the postal administrations and their philatelic bureaux, with several events and personalities competing for attention. There is a movement afoot, in my native land to give James Chalmers the honour which is allegedly due to him as the creator of the adhesive postage stamp. So far, however, only the West Indian island of St Vincent has announced stamps for the bicentenary of his birth on February 2, and Britain's sole contribution is the £1.43 booklet which went on sale this month and portrays him on the cover, with a reference to the fact that, in 1837, he produced the first specimens of adhesive stamps. His birthplace, Arbroath, and the city where he made his living as a printer and publisher, Dundee, are having pictorial postmarks on that date.

Unfortunately poor Chalmers will have to compete with George Washington and Joseph Haydn, whose 250th birthdays are being celebrated by the U.S. and Austria respectively. Western Samoa has also announced a set for Washington and doubtless many others will follow. This is also the centenary year of Franklin D. Roosevelt, subject of a 20c stamp recently released. An old favourite with his fellow philatelists, FDR is bound to appear on numerous issues around the world this year.

A less likely subject for commemoration is the German physiologist, Robert Koch, but it is exactly a century since he discovered the tuberculo bacillus—an event being celebrated by West Germany (February 18), the Bahamas (February 3), and the Cayman Islands, the People's Democratic Republic of the Yemen and Brunei (all in March). Thanks to him, TB is no longer the dreaded scourge it once was, so this could well be the most worthy cause celebrated this year.

SPORT

Keith Fletcher (left) and Sir Leonard Hutton

Captains and kings

CRICKET

TREVOR BAILEY

WHY DOES England have so much more difficulty in choosing a cricket captain? The choice of Keith Fletcher for India seemed logical in the short term. But under his command, England have not done very well.

They have failed to win a single Test in India. They have lost the limited overs tournament, they have lost to Sri Lanka and some of the behaviour of players has left something to be desired.

Fletcher had an impressive batting record in Test cricket, was especially good against spin, had toured India twice and proved himself to be a successful, and much respected skipper of Essex.

It seemed unlikely that the general public would have another opportunity of indulging in that popular pastime, picking England's cricket captain at least until the end of this summer.

There is a tendency to judge cricket captains, often unfairly in terms of results, and the selectors, under new chairman Peter May, are believed to be thinking in terms of a successor to Fletcher before the Australian tour next winter. I think this is premature, especially as the alternatives do not spring readily to mind.

I believe we are inclined to imbue captaincy with more mystique than it warrants. This stems from the days when the position was the prerogative of the amateur, frequently with a public school and university background, who had the advantage of being more independent, because he was not employed by a county club.

In contrast, selectors abroad are more willing to take a chance with an established Test cricketer, even if he has very little experience of captaincy.

Although a county skipper's know-how is a considerable asset, it is not an essential *requisite for an England captain*. When Sir Len Hutton took over and won back the Ashes, he was not captain of Yorkshire. Ray Illingworth had had only a handful of games as the Leicestershire leader when he assumed command.

But Len and Ray both had a deep, practical knowledge of the game.

Alec Bedser, former chairman of the England selectors, has often bemoaned the fact that most county skippers were either too old, or not good *enough* cricketers to be given the England captaincy. Or they came from overseas.

Although Alec had a point, it could be argued that with so many profitable domestic competitions to be won these days, the last person a county should pick to lead them is anybody with a regular place in the national eleven! The role of a county captain is not dissimilar to that of player-manager in football. Can you imagine football directors appointing a player-manager who would not be available for half the season?

What makes a successful cricket captain at international level? The first essential is a powerful side, or alternatively weak opposition. Then it follows that luck plays a considerable part. I always rated Norman Yardley an outstanding leader, but he could not have won the Ashes for England in 1948 against Bradman's great team. Ian Botham, in addition to lacking experience and being both the main attacking batsman and bowler in the team, was unlucky to have been given the job against the West Indies.

An important reason why *Clive Lloyd* has done so well and lasted so long as skipper of the West Indies is the strength of his side, while the majority of the opposition England has faced under the astute Mike Brearley has, as a result of the Kerry Packer Revolution, been second class.

There is a considerable difference between captaining England at home and on tour. At home a good knowledge is probably the main essential, but overseas elementary psychology, the ability to motivate and keep the party reasonably happy, including those not picked for the Tests, and to handle the media and problems like indifferent umpiring are equally perhaps more vital, which is why Mike Brearley and, in an entirely different way Tony Greig, were so good. The team believed in them.

Who will win the England captaincy? It looks a very open race without firm favourites. If the selectors decide that they must have a county captain, there are seven possibles. They could recall Brearley yet again. He is certainly capable of leading England to victory over India and Pakistan this summer, but, even if available, is less likely to be successful in Australia.

Willis, as a main strike bowler, is not the ideal role for a skipper, but could do a short-term job. Rose, Knight, Cook and Barclay all have their claims, but also have two weaknesses—they have little or no experience of Test cricket and have never toured Australia. Fletcher could be reappointed for the first three Tests this summer, which would give a little breathing space and is probably favourite.

The selectors could also turn again to Botham, but at this stage he has more than enough on his very broad shoulders. If this situation had occurred overseas I believe that their selectors would have turned to Gooch and taken a gamble on his lack of captaincy expertise. It could well be the best solution and he is certainly also worth his place purely as a player.

It is a good day, Ya?

SKIING

ARTHUR SANDLES

SURELY there is nothing worse than being chilled to the bone on a ski slope. One of the good things about the lengthening days and brighter sunlight of later season skiing is that life tends to get a little warmer. Over the years I've come to learn how to beat the cold most days, but *if* the first ski lift of the day is a long open chair, followed perhaps by a long drag-lift to the summit in sub-zero temperatures then there is little you can do. Over-protection will only mean a sweaty morning as the legs start working.

And so it was, a week or so ago, that I stood, thoroughly chilled, at the top of the Kreuzkogel, some 2,686 metres up in the mountain air, high above the Gastein valley. The various Gastein villages—Badgastein, Bad Hofgastein and Sport Gastein—are probably better known for their rejuvenating waters than their skiing. Certainly the visitors seemed to be of a somewhat mature age bracket than one normally encounters on the slopes.

"It is a good day, Yo?" said my guide grinning at my furious efforts to return blood to *my fingers, Ya,* it certainly seemed to be. The clear air which had produced that cold also gave us a spectacular view across the mountains of Salburgerland, *far* over the Kapruner Tal to the giant Grossglockner, the highest mountain in Austria.

"Follow me," yelled the *guide. And so,* in a *glittering* flash from a ski suit which semed to be constructed of silver thread, he disappeared over the mountain edge into shadier, chillier pastures.

I was soon to discover why most other skiers were taking another route. The North Face of the Kreuzkogel is the sort of run that resorts keep aside for visitors who underestimate their local ski resources. "So you think our resort is for geriatrics, eh?" you could almost see him thinking. "Well try this for size."

And so we did. There was about 18 inches of new powder on a base that had clearly been slushy and then refrozen. I inspected it closely. *First* by pushing my nose in it and then for a minute or two trying to find my left ski again. "You ski too much in France," said the guide with a sneer. "Why do you move your shoulders so much?"

In France they tell you that you have skied too much in Austria, in Italy that you should stay away from Switzerland, and in the U.S. the clearly despair of every European teaching technique. It is always the same.

But back to the run. It offers acres and acres of steep ungroomed snow often, I am told, several feet deep. It is best skied with local help, and never alone. One of my own more spectacular falls took me 50 feet downhill in a mini-avalanche of blinding powder snow. "Yes, yes. I know. The shoulders."

In fact the descent through the powder was less worrying, and vastly more pleasurable than the final mile or so on a woodland track. I hate them. The longer they go on the more I find myself lifting the inside ski on turns and slapping it down, rather than executing the smooth transition of the text books.

But when we reached the bottom all signs of chill had gone. Rivulets of sweat trickled down my backbone.

"And now," shouted the guide, "some schnaps."

"No," I replied firmly. "I'll have a glass of wine—French perhaps."

● Few tour operators serve the Gastein area. Erna Low, 5 Bute Street, London SW7 is one of them. Austrian Airlines shares a scheduled service to Salzburg with British Airways.

RACING

DOMINIC WIGAN

THERE HAS been no more successful Chepstow specialist in the past few seasons than *Prince Rock* and *the* 14-year-old is certain to return to well earned acclaim. Once he has run his last race in today's Graham Reeves Chase, on the *Monmouthshire* track.

Placed in three Coral Welsh Nations, Prince Rock has won both the previous runnings of the Graham Reeves and popular and local support seems sure to see going to post a warm order for this afternoon's 11-runner renewal of the three miles six furlong handicap. Here, the veteran who accounted for exactly the same six field of an identical race in 1981, again looks a possible bet, but I suspect that he is an each-way rather than a win proposition.

A gallant third when attempting a near impossible task against two fast improving chasers in Peaty Sandy and Royal Ruse over today's course and distance in the Welsh national, Prince Rock may have to be content with the minor spot behind Josh Gifford's Royal Judgment and the John Thorne trained Loving Words.

The first named returned to winning form with a vengance at Newbury on Saturday when *beating the Gold Cup candi*date Diamond Edge, stricktly on merit in the Compton Chase in which the pair met on level terms, while Loving Words showed the next best thing to bottomless stamina in landing the Brooke Bond Oxo in which just four from 23 completed.

Although Royal Judgment is unquestionably the *highest* class chaser in today's line up. I suspect that the remarkable staying powers of Loving Words will carry the day over a *distance never before tackled* by the Findon chaser who, in addition is not the safest of jumpers once off the bit.

In the day's other major staying event, Newcastle's four miles one furlong Eider handicap Waggoners Walk will also be attempting to repeat a success of a year ago. The veteran is slowly coming back to *form* and will *give a* good account of himself without perhaps being good enough to concede 9 lb to Three To One. At Carlisle, ten days ago, Three To One showed up well for a long way despite looking backward in the three mile Standix handicap won by Lasobny.

CHEPSTOW

12.45—Loving Words***
1.15—Arabian Music
1.45—Another Duke
2.15—Jubilee Medal**
2.45—Sparkford
3.15—August Moon.

NEWCASTLE

1.45—Winning Brief
2.15—Twice Times
2.50—Three To One*

SPORTS DIARY

SOCCER: England v Northern Ireland, British championship (Wembley), Feb 23; Spain v Scotland (Valencia), Feb 24.

RUGBY UNION: France v England (Paris); Ireland v Scotland, Triple Crown decider (Dublin), today.

CRICKET: Sri Lanka v England, Test (Colombo), until Feb 22

HOCKEY: Rank-Xerox club championships, Feb 21.

SKIING: World Cup events in Oslo, Slavic, Sarajevo and Winter Park (U.S.), continuing through February.

SAILING: World championship (Fireball class), Frankston, Australia, Feb 23.

SNOOKER: Tolly Cobbold Classic (Ipswich), Feb 22-24.

SNOW REPORTS

EUROPE

Andermatt (Sw.)	150-270 cm	Excellent snow.
Arosa (Sw.)	140-190 cm	Spring snow on good base.
Saas Fee (Sw.)	50-160 cm	Some powder off piste.
St Moritz (Sw.)	60-100 cm	Good skiing conditions.
Kitzbuhel (Aus.)	85-200 cm	Excellent piste conditions.
Niederau (Aus.)	60-240 cm	Good skiing on piste.
St Anton (Aus.)	110-460 cm	Good skiing, some spring snow.
Val d'Isere (Fr.)	150-250 cm	New snow, windswept.
Courmayour (It.)	145-276 cm	New snow on hard base.
Sauza d'Oulx (It.)	30- 90 cm	Good skiing on and off piste.

European reports from Ski Club of Great Britain representatives.

THE U.S.

Aspen (Col.)	28- 96 ins	Powder & packed. All runs open.
Hunter (NY)	24-111 ins	Packed powder. All runs open.
Park City (Ut.)	40-111 ins	Powder. All runs open.
Squaw Valley (Calif.)	48-114 ins	Some icy patches. Most open.
Stowe (Vt.)	40- 85 ins	Packed powder. All runs open.
Sugarbush (Vt.)	30- 50 ins	Loose granular. All runs open.

Figures indicate snow depth at top and bottom stations.

SCOTLAND

Cairngorm:	Few runs complete. Icy patches.
Glencoe:	Main runs complete. New snow on hard base.
Glenshee:	Few runs complete. Icy patches.
Lecht:	One run complete. Hard base.

Scottish forecast: Warmer, perhaps with rain.

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY. Telex: 8954871. Telegrams: Finantimo, London. Telephone: 01-248 8000. Frankfurt Office: The Financial Times (Europe) Ltd., Guiollettstr. 54, D-6000 Frankfurt-am-Main 1, West Germany. Telex: 416193. Telephone 7598-140. Editorial: Frankenallee 71-81. Telex: 416052. Telephone 7598 256.

INTERNATIONAL & BRITISH EDITORIAL & ADVERTISEMENT OFFICES

Amsterdam: P.O. Box 1296, Amsterdam-C. Telex: 16527. Tel: 276 796.

Birmingham: Editorial and Advertising George Hse., George Rd., B15 1PG. Telex: 338650. Tel: 021-454 0922.

Manchester: Editorial and Advertising Queen's Hse., Queen St., M2 5HT. Telex: 666813. Tel: 061-834 9381.

Mexico City: Paseo de la Reforma 122-10, Mexico 6DF. Tel: 535 6664.

For Share Index and Business News Summary, Telephone 246 8026 (number, preceded by the appropriate area code valid for London, Birmingham, Liverpool and Manchester).

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Saturday February 20 1982

Bumping along the bottom

THE CHANCELLOR must by now be regretting the series of cheerful announcements about the economy which he has beeo making for the best part of a year: and Mr Leon Brittan, his Chief Secretary, should be re-examining the timetable on which be expects ecoeomic day to follow night. There are good reasons for boping that we are by now in the later stages of our re-adjustment to economic reality—though the reasons are not perhaps quite as strong as a financial market short of new stocks would suggest. However, the late stages are proving to be among the most painful of all, punctuated with company failures and near-failures against a background of falling personal incomes. The Government is also coming to appreciate the truth of Sir Keith Joseph's slogan, Monetarism is Not Enough. Hard policies are needed for hard problems.

Weak markets

The depth and persistence of the recession has been confirmed this week by the industrial output figures for December—sbarply down—and the very flat GDP figures for the fourth qnarter. We pumped more North Sea oil and burned more fuel to keep warm, but that is not the sort of comfort which spreads. It is this very long period of weak markets which has undermined such operations as Leyland Vehicles, which is planning for sharp contraction in spite of winning a better market share with new products. Although realism seems to have won the day over protest among the workforce, it is easy to sympathise with their bitter feelings.

On the railways, the state of the cycle has simply sharpened a problem which goes back many years, and is common to subsidised enterprises everywhere. The stubborn resistance to change here is compounded by two contradictory elements—the experience of working in a declining industry, coupled with the conviction that even in its reduced state it remains an essential service which will slways be bailed out.

Emulation

The strike may in the long run prove an important defeat for the drivers, for it showed that the country can get on remarkably well with no rail service. But it is unfortunately regarded for the moment as a triumph for stonewalling, and has attracted instant emulation from some of the more hot-beaded railway guards. Government after government has made it clear that the unions must play tbeir full part in any modernisation of the service, otherwise investment in efficiency is simply wasted.

The problem of persuading the men themselves to accept that view remains unsolved. One might wish that the Labour Party, which bas supported Aslef in its present dispute—and may bave been justified by the letter of a thoroughly unsatisfactory pay compromise last year—will eow be equally eloquent in supporting the case for efficiency. But it is likelier that the case will have to be fought again in the very near future, over the redundancies and pay standstill which may well prove to be the cost of the present dispute.

Polarised

One rather unexpected result of the sour atmospbere of this winter is that political opinion is becoming polarised again on we-they lines, with less room left in the middle for the Liberal-SDP Alliance. This fact may somewbat embolden the Government in fighting what could be a long war of attrition to acbieve efficiency in public transport and a number of other public services. It is here especially that the object-lesson in reality which financial stringency is supposed to teach seems most remote.

It is not remote at all in the private sector of the economy, and it is the knowledge of what is happening bere which provides some objective justification for the good cheer in the financial markets. The other side of the fall in real incomes is the scope for a sbarp recovery in profits. The regular news of moderate wage trends and an encouraging growth of exports is the measure of future potential. The recovery in profits seems to be coming relatively early; by the same token, the fall in inflation and the recovery in real incomes may be somewhat delayed.

Confidence

At the same time this confidence seems to be reflected in the currency market. For a second week sterling has performed well despite a further rise in U.S. interest rates. This is partly due to tax-paying pressures, but could signal a significant change in market behaviour. With the collapse of the Opec surplus in a glutted oil market, the flows of liquid capital which have dominated currency markets are slowing to something more like a trickle. If markets respond more to the underlying realities—competitiveness and trade performance—and less simply to interest rates, then we may be drifting a little further from the influence of American financing problems, and the consequent levels of interest rates, and getting near the world Sir Geoffrey hoped he detected nearly a year ago.

The comfortable life of a man who knows his perks

DAVID PERK'S first task each day is to breakfast with his assistant, Mabel, also his wife of 23 years. Mabel looks after his correspondence, acts as a hostess and picks him up at the airport, for which Perks International provides her with a Ford Cortina and a small salary.

His house, provided years ago by the company, is a mess but he can already see the cook and housekeeper, also on PI staff, making headway with the remains of last night's entertaining. David is skimming tha company-supplied newspapers when the chauffeur arrives with the Bentley. He'd prefer to drive his Jaguar, but the kids need a lift to school, which they are attending with PI's assistance.

Once in the office, he arranges the rest of his foreign travel this year, ensuring that a slice of his income will be taxed at a reduced rate. A call from the chairman's office interrupts, asking him to choose his nights for the Covent Garden box. He then remembers be must decide today on whom to invite to Wimbledon this year. With a glance at his 15-year service award watch (gold, self-winding), he realises he's late for his check-up with the company doctor.

Once again, he has to listen to a litany about making more use of his subsidised membership in his health club and cutting back on fattening expense-account lunches. He returns to the office to have egg sandwiches in the small executive dining room, passing up the luncheon on the 14th floor with the chairman and his cousin from Milwaukee.

Back at his desk, he looks over the company solicitor's papers on his mother'a new mortgage. His financial director calls to complain he is never able to reach Perks at home by phone. He admits his family monopolises the phone; they agree a second phone for incoming calls might be a good investment for the company. He rings off, but not before getting a hit of advice on his investment portfolio.

His secretary, back from her lunch in the office canteen, reminds him that the office no longer provides free suits and it might be time to replace the one he's wearing. He decides she's right and while smiling, he signs the form allowing her two weeks at the company's holiday bouse in Minorca. She wisely decides to postpone her request for a £1,000 interest-free loan until her return.

Taking advantage of a few quiet moments at the end of his day. David writes to bis mother, enclosing the mortgage documents and some recent magazines before sealing up the envelope and popping it into the company post. The chauffeur is waiting downstairs beside the Bentley. David decides the chauffeur could do with a new suit as well.

How fringe benefits just grew . . . and grew

By Carla Rapoport

"BY MY standards, yachts are extravagant. I am not used to any yachts," Mr Robert Holmes à Court, the Australian financier who is fighting to keep control of Associated Communications, told an appeals court judge in London this week.

He told the court that be had discovered not one but four yachts belonging to the troubled entertainment empire built by Lord Grade. There was also an order for a $2m Cessna jet.

This disclosure is the latest in a series about the fringe benefits, or perks, which have become a steadily more important part of executive life in Britain in the past decade. Perks range from "standard" ones, like some of those enjoyed by Mr David Perk in the article above, to much more exotic benefits. Some executives use flats or other facilities, ostensibly provided for business reasons, to provide them with a lavish and expansive lifestyle—sometimes for nothing.

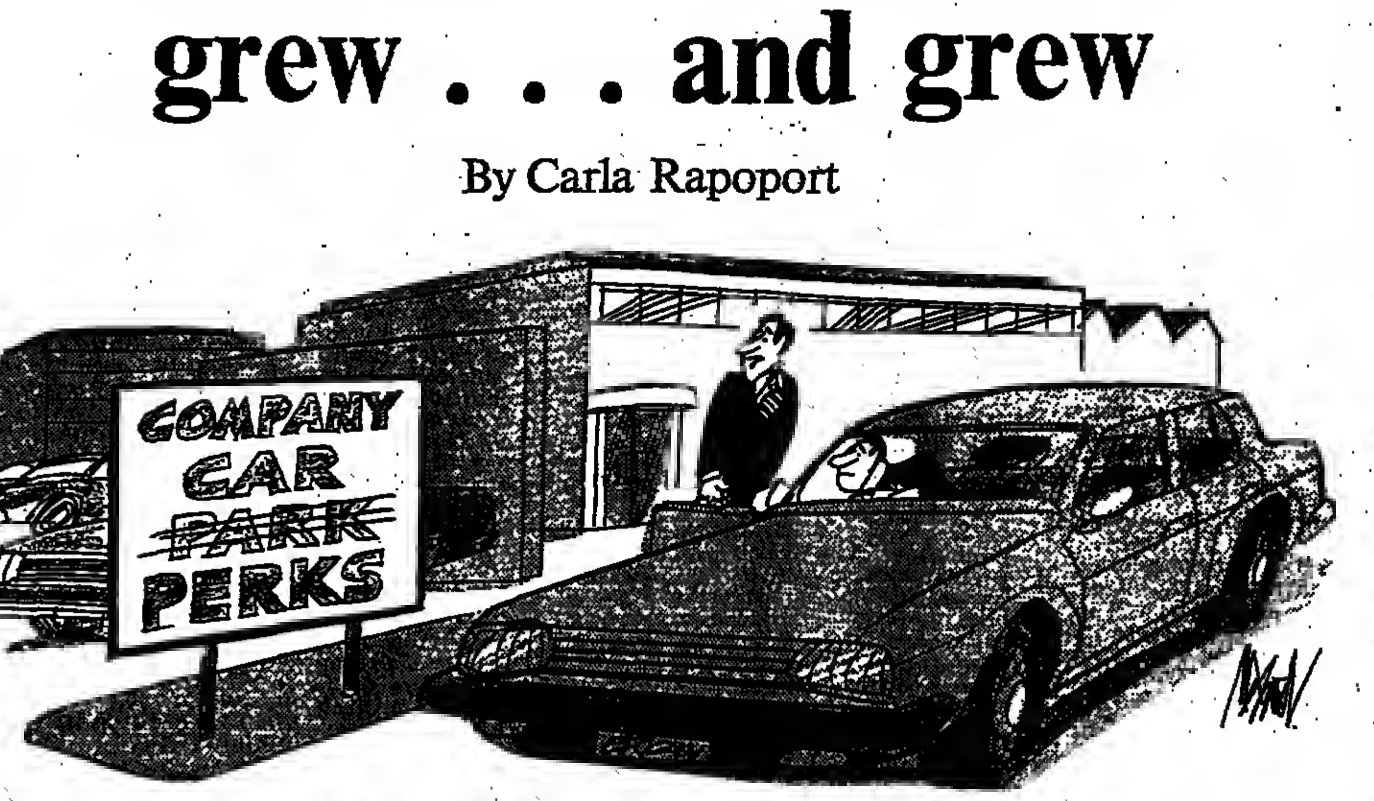
Accountants and the Inland Revenue, who are supposed to police this tangle, admit there are major problems in determining what is an acceptable fringe benefit. And the Revenue acknowledges that it is hard pressed to catch up with all those who are violating the tax regulations.

Sir Geoffrey Howe, Chancellor of the Exchequer, has condemned perks as "wasteful and inefficient," but has also failed to uproot them. His officials now face perhaps their last chance to attack the system as they prepare next month's budget. Next year will surely be too close to election time for any wholesale changes.

The structure they face is daunting:

- Some 70 per cent of the cars on British roads are said to be bought by businesses. The salary research unit of Inbucon Management Consultants reports that 85 per cent of British executives earning over £10,000 receive a company car. As recently as 1965, Inbucon reported that only 37 per cent of all UK executives received a car.
- More than 60 per cent of British executives receive free medical insurance despite Britain's national health service. According to Inbucon figures, only five years ago the figure was 37 per cent.
- Nearly three-quarters of British executives enjoy a subsidised lunch, a perk which continues to gain in popularity at all levels of compensation.

Those are only three of the most common perks, for nowhere else in the industrialised world are fringe benefits so prevalent. The reason is mainly the generous tax relief provided on perks like these. They also reduce a company's taxable profits while the employee receives the benefit at far less than its real value.



"Probably something to do with the Trades Description Act!"

The ubiquitous company car is very nearly a gift from the Treasury—a Ford Cortina, for example, will attract tax of only £360 as of April—and can be freely driven for business or pleasure. In the case of benefits in kind—things like school fees or jacuzzis which do attract tax relief—the employee pays tax on the value of the perk but only at his marginal tax rate. This in effect amounts to a healthy subsidy.

Such largesse on the part of the Treasury was not planned. Fringe benefits are the legacy of years of high taxation and the wage restraints of the 1960s and 1970s. Mrs Thatcher, the Prime Minister, has made no secret of her distaste for perks promising instead to reduce taxes. Tax-relief oo perks is a heavy drain on government coffers. An Inland Revenue report showed that taxation on the real value of company cars would have added an estimated £330m to the Treasury in 1980.

So far, the Thatcher Government's efforts have been fruitless. Taxation was redneed in 1979, but since then real taxation on the middle bands of salaries bas scarcely moved. Under such circumstances, cutting back on perks slipped a few pegs in priority.

Two important changes in the perks system were unveiled in last March's Budget but have since been covered up again. The Inland Revenue quietly announced at the end of last year that taxation on free petrol and a new PAYE system for company cars and petrol would be postponed for another year.

In its efforts to reform the perks system, the Government has run up against the reluctance of industry to accept change. Higher taxation on cars, for example, has been met with resistance from the ailing motor industry, which remains heavily dependent on the fleet car purchase.

Benefits like cheap loans in the financial sector have become standard practice and continue to provide a lure to young graduates as well as a disincentive for those receiving the loans to change or leave their jobs.

But as anyone able to eat a free lunch knows, the system is wide open for misuse. Providing and reporting fringe benefits are the responsibility of the company and its workers. The Government can only guess at how much it loses each year in unreported or mis-reported perks.

Pension funds are a ripe area for exploitation. A controller with the Revenue's Superannuation Funds Office recently reported that some small companies had been using their self-administered pension schemes to finance cheap loans, yachts, diamond tiaras, holiday cottages and retirement homes for aged parents.

Perhaps the most abused fringe benefit is not really by definition a perk. The corporate expense account has bedevilled accountants, finance directors and politicians ever since the first cocktail cabinet was deemed a proper aid to business.

Although trends are difficult to pin down, those who study the fringe benefit area agree that more abuse of this sort takes place in the smaller company, often family-run, which is generally out of the public eye. F. Pratt Engineering had scarcely been heard of until a raucous boardroom battle brought out alleged claims of gross misuse of company funds. An accountants' inquiry into the claims has just been completed and financial redress is now being sought by the present management from former directors.

To avoid any whiff of controversy, larger companies often go to great lengths to keep their books straight. GEC, for instance, requires directors to pay £5 for their executive lunch. Habitat employees are granted a meagre 75p for breakfast if they hit the road before 7 am on business. Habitat's top management may stay at four-star hotels while travelling on business, others are relegated to two- and three-star establishments. No claim for alcohol can be made on expenses.

Companies dish out a fair number ef perks at their discretion, prompting large discrepancies between companies and even between employees. For example, while Thomas Cook gave employees driving oe business a 23p per mile allowance in 1981, Williams and Glyn's Bank gave a generous 36.75p. The kind of car often varies with the position, but the recession is denting this perk slightly. Borden UK, for example, used to dispense Ford Cortinas in its middle management, today it is Ford Escorts. At ICI, Sir Maurice Hodgson haa waived hia right to a new Rolls every three years and is keeping his for five.

Luncheon vouchers are a prime example of the Government's benign neglect and the contradictions to which it leads: they are tax-free provided they total no more than the 1948 rate of 15p a day. On the other band, if the company provides a four-course meal with wine, the benefit ia free to the employee and provides tax relief for the company. On personal loans, an interest-free loan of £1,300 is tax-free, but who gets them and for what is entirely up to the company.

At a time when government hopes to cut back on staff, not add to it, reform of the nation's perks seem highly unlikely. For many years and through various governments, plans bave been considered to scrap the fringe benefits system altogether. One architect of sucb a scheme, Mr Brian Reading, a former advisor to Ted Heath, argues that if average tax rates are 30 per cent and the yield to the Treasury is 15 per cent, why not have a 15 per cent tax rate and do away with the machinery of perks?

"Instead of getting relief for being something, a homeowner, pregnant, married or the like, one could get relief for working," he says.

Such wholesale reform of the income tax system remains unacceptable to the Conservatives for the time being, however, as Mr Reading points out, it would necessitate a wealth tax on those in the highest income brackets. A Labour government might try to smooth out the iniquities, but perks are so well embedded in the compensation mechanism that to uproot them would appear to he undermining workers' standard of living. Only this week Mr Arthur Scargill's union helped to provide him with a new Jaguar.

Earning cold, bard cash remains a rather unglamorous occupation in England. It is still easier to give an executive a fancier car or a Mini for his wife than the extra money which could upset others in the office. Until the day wben simple money becomes something to be proud of, fringe benefits are likely to remain deep in the British pocket.

WHAT PERKS COULD DO TO YOUR SALARY

(in £s)

	Without perks: Cost to company	Without perks: Approx. value after tax	With perks: Cost to company	With perks: Approx. value after tax
Basic salary	20,000	14,200	15,000	11,125
Overseas duties			5,000	3,350
Bonus	3,000	1,560	2,000	1,025
In share plan			1,000	1,000
Company car (over 1,800cc)			4,500	4,050
Telephone rental			100	100
Bupa			120	120
Permanent health plan			500	500
Free lunch			750	750
Pension	3,000	3,000	5,750	5,750
Total	26,000	18,760	34,720	27,770

NOTE: Had the company paid the before-tax value of the total income with perks as straight salary — £34,720 — income after tax would be £21,600. The difference in tax paid would be £6,170.

Letters to the Editor

Investment

From Mr J. Morrell

Sir,—I would like to support Professor Alan Budd's plea (February 3) for tax concessions to help business with the aim of generating sustained investment.

The level of private investment depends heavily upon changes in profits and cash flow. A rise in investment to meet the performance of foreign competitors will not be forthcoming without a strong rise in home profits.

Two factors of the present sceee alarm me. The first is (as Alan Budd states) that labour costs per unit of output are still 20 per cent bigher relative to competitors' prices than in 1979. In my view the pound is still heavily over-valued against the U.S. dollar and a number of Continental currencies, as can be seen by comparing prices. It is significant that car prices are some 30 per cent lower on the Contieent and the flow ef tourist traffic strongly supports my view. We thus remsin hesvily exposed to cheap imports, preventing a UK recovery ie maey cases.

The second festure is the nutflow of industrial investment. In my experience the majority ef larger cempanies have set objectives te increase their foreign assets and to reduce the UK share of operations. Ultimately this mnst weaken the British competitive position still further since investment per bead here will continue to fall behind the levels of our main competitors.

James Morrell.
25, Milk Street, EC2.

Energy

From Mr C. Hughes

Sir,—In your report (February 15) on our latest forecast for UK energy demand during the 1980s it was stated that "gas will overtake oil as the UK's most important energy source."

Although we forecast that gas will become the most important fuel used by industries and domestic consumers in the UK this does not take into account transport fuel demand er the conversion of final energy use into primary energy demand.

As the table shows, on this basis gas will still represent only 22 per cent of UK primary energy demand by 1990 compared with 35 per cent for oil and 38 per cent for coal.

UK primary energy demand
(million tons of coal equivalent)

	1980	1985	1990
Coal	134	135	143
Oil	139	123	130
Gas	69	75	83
Primary	14	21	21
Total	355	354	378

Colin Hughes,
Cambridge Econometrics,
PO Box 114,
St Andrew's Street, Cambridge.

Trading

From Mr J. Kissin

Sir,—Mr Rigby's question (February 10) about "alternative trading arrangements" after withdrawal from the EEC is easily answered. After withdrawal, we would continue trading outside Europe on the same terms as we do at present: terms which allowed us to earn a surplus of over £5bn in our noe-EEC trade in manufactures in 1980, while our trade in manufactures with the Community was in deficit of over £1.7bn. There is no need for us to negotiate a "free trade area or Customs union," either outside the Community, where our trade in manufactures is in healthy surplus without one, or inside the Community, where our trade in manufactures has been in chronic, and generally growing, deficit ever since we established one.

That Britain is dependent on its non-European trade, but not on its European trade, is one of the most fundamental facts about our economy, whether the pro-marketeers like it or not. Once that is understood, it will be seen that besides the four possible responses to the establishment of the EEC listed by Mr Robert Jackson in his letter (same day) there is a fifth, a policy of live and let live. There is no reason to think that either the existence or the prosperity of the Community poses any threat to us, just as long as we have the sense to stay outside.

Of course there are many areas, particularly defence, wbere close co-operation between Britain and the other members of the Community is beneficial to both. But those areas are not covered by the Treaty of Rome, and there are other institutions, which functioned perfectly well for years before we joined the EEC, for organising such co-operation. For reasons which lie deep in the economic history and the economic geography of the countries concerned, there is no way of devising policies in many of the areas covered by the Treaty, such as agriculture and external trade, which satisfy the vital needs of both the original members and of Britain.

As far as agriculture and external trade are concerned, Britain is simply not a "European country" in the sense in which Mr Jackson wants to nse that expression. The trouble with the pro-marketeers is that they have never been able to come to terms with that fact. Uetil this country does so, it will coetinue to disrupt the Community while, at the same time, it allows its membership to destroy the basis of its own economic prosperity.

John Kissin.
36, Grosvenor Road, Reading.

Centralism

From Mr T. Travers

Sir,—Mr Heseltine's block grant is a readily-available mechanism for imposing a centralist policy. All a Government would have to do would be to break the system into separate block grants for each part (however small) of the education service and then build in an automatic grant loss for any council which spent below the national minimum level. That is, it could be made more expensive in terms of rate bills if an authority spent less than the minimum level than if it met or exceeded it.

Penalties for low spenders could be worked in precisely the same way as the grant reductions imposed on high spenders at present. Environment Department officials devised a scheme for doing this during 1981 which neatly circumvented the original intention of the Local Government, Planning and Land Act, 1980, to prohibit grant reductions of this kind.

In short, Mr Heseltine's block grant could easily be used to penalise low-spending (predominantly Conservative-controlled) councils for not spending as much as Mr Kinnock (February 15) thinks necessary.

Tony Travers.
7, Furnival Mansions,
Wells Street, W1.

Dealing

From Mr D. Turgoose

Sir,—Barry Riley (February 13) discusses the "Relatively small scale of activity" and "Lack of volume" in the London traded options market. May I, as a participant, comment? In my view the difference between the offered and bid price ("Jobbers turn" for lack of a better phrase) is overwhelmingly the major cause.

I follow the market witb keen interest daily and deal—both as buyer and writer—occasionally. I would like to deal much more beavily, and above all very much more frequently — the "turn" prevents it. For example, I have been quoted, for a fairly active stock (ICI) "6p-9p." Thus the opening buyer immediately loses, at that point in time, one full third of his money, before even counting brokerage. The investor is either locked out or locked in. Inevitable result — low turnover.

The non-greedy but regular investor may perhaps hope to make (on average, after a lot of gains and losses) say 25 per cent per annum. If the average duration of each option is (say) 3 months, he is hoping to achieve an average gain of about 6 per cent each time. Such modest targets are completely overwhelmed and obliterated by the turn. (I would be very interested to know whether the staggeringly different growth rate of the CBOE was achieved in the face of such a deterrent?)

Can there be any good reason (other than deeply-entrenched traditions) why the "turn" could not be eliminated completely, with brokers making a market, each quoting a single price at any point in time, and surviving on commission? I believe the market could then really take off. Result: contented clients; very happy brokers; and a massively increased turnover in the London traded options market.

David Turgoose.
28, Lister Gate, Nottingham.

Tidy

From Mrs L. Orchard

Sir,—Your writer (Weekend Brief, February 13) mentions the dilemma of where to put used butter and marmalade foils when breakfasting in hotels which use such contraptions.

An excellent solution to this problem is the small and often quite colourful "bin" which I recall baving found on Continental breakfast tables. One simply pops the used foil containers into the bin where they remsin nicely out of sight.

(Mrs) Leoe Orchard.
29, Burkes Road,
Beaconsfield,
Bucks.

Laker

From Mr A. Beaumont-Dark, MP

Sir,—There is no doubt that Sir Freddie Laker has had a profound effect upon the flying habits and costs of all people who travel, particularly breaking cartels which are unjustified and limit the horizons of ordinary people. All these things are to be applauded.

It certainly needed a Laker to do this, and the buccaneering instinct and blind courage that he has. All progress and change of this magnitude needs people who take vast risks, usually with other people's money as is the case with Laker, who with a small capital base has lost millions of pounds of others' wealth.

It is now said that Sir Freddie Laker should come back with Laker 1982 Limited or "The People's Airline." I hope I will not be thought unfair if I say it is like marrying again before your first wife is buried. It is to be hoped that this modern folk hero will have a greater concern for financial prudence and that his undoubted flair will be harnessed to reality so that many thousands of ordinary people do not again lose their small savings in worthless air tickets. Also, the banks, who take all the risks may now feel reluctant to finance others, more soundly based, may still feel it is worthwhile taking risks.

In spite of all the good things about Laker, I think it has to be said that the financial world is not against him, as has been proved, but that water does not run uphill, even for Sir Freddie Laker.

Anthony Beaumont-Dark,
House ef Commons, SW1.

Value

From the Director
Aims of Industry

Sir,—Robin Pauley in his excellent article on the costs ef the Inner London Education Authority (February 4) summarises the Budget options very well and rightly points out that ratepayers face some hard lessons.

But while looking at Mr Pauley's figures, London ratepayers should also consider some other points. It costs 50 per cent more to educate London children than in most other inner city areas. Whereas the number of London pupils between 1973 and 1980 fell by 17 per cent, the number of bureaucrats went up by 2.4 per cent. London children do less well in exams than children in almost every other town and city. Defenders of ILEA argue that this is because of the peculiar problems in London of a racial mix. But areas outside ILEA with an equally strong racial mix do much better.

So, it is not just a question of paying too much for London education; it is also a question of not getting value for money.

Michael Ivens.
40, Doughty Street, WC1.

The SDP and Thatcher-land

By Malcolm Rutherford

THE constitutional convention of the Social Democrats in London last weekend confirmed everything that we have come to expect of the new party. The conduct was civilised, and the debate more or less rational and a trifle earnest.

True, there were times when the language of the old politics seemed to spill over from the platform: for example, the calls for a "card vote" when what was meant was that the show of hands should be counted rather than estimated. In the Labour Party a card vote means bringing in the unions.

But it was refreshing that there should have been such a discussion of the role of women. Should there be positive discrimination to ensure that women get a share of offices in the party more nearly proportionate to their numbers, or should they get there on merit? The women seemed as divided as the men.

The two big parties have never debated like this, though it is one of the social issues of our time.

It is beside the point to note that the convention was predominantly middle class. So is the country.

One other item worth recording is that Dr David Owen is a considerably better chairman of a large meeting than Mr Roy Jenkins.

Mr William Rodgers, another of the original gang of four which founded the new party, describes the SDP as springing from "provincial suburbia." It might be put in a slightly different way. SDP supporters are the schoolchildren of the 1950s: meritocratic, managerial, with no great sense of class-consciousness or even cause for complaint. They simply want the country to be more efficient and, possibly, more humane.

There is a problem here. That is exactly the ground claimed by Mrs Thatcher. It would be hard to present the bulk of her present Cabinet as anything but meritocratic, managerial, *et cetera*.

We shall come back to that. First, however, what happens next to the SDP and the alliance with the Liberals.

The assumption is that Mr Jenkins wins the coming by-election in Glasgow Hillhead and returns to Parliament. The by-election will probably be held late next month — after the Budget. If he fails, all bets are off.

Yet on the assumption that he succeeds, the cementing of the Alliance will continue relatively smoothly. The business of which party fights which seat in the general election is on its way to being settled. Indeed, Mr David Steel, the Liberal leader, points out that the idea of the Alliance is sometimes working better at the local level than at the national: for example, in Sheffield and Colchester, where the local parties have almost merged their operations.

Meanwhile, the two parties will campaign together in the local elections due in May and — another reasonable assumption — will do pretty well.

Also by early May the SDP should have completed its plebiscite on how to elect a leader. That was what much of last week-end's convention was about: there will now be a postal ballot of all members.

On yet another reasonable assumption, the majority will opt for election by one-member-one-vote rather than by members of the parliamentary party. Either way, it looks as if Mr Jenkins has it.

David Owen . . . looking to future: Norman Tebbit . . . union reform

Yet there are a few wrinkles here which suggest that the way ahead is less than clear. For a start, no-one knows when the leadership elections will take place. Quite strong pressure was building up this week for it to be held as soon as possible: say by July at the latest. Certainly that is what Mr Steel would like in order to get on with developing the Alliance.

But it is hard to see how there can be a leadership election before the party's constitution has been ratified. Again, it is not clear how that will be done, and when.

Another, related problem is the party presidency—a separate post from that of leader. There is a growing awareness that the presidency could be a position of some power. According to the draft constitution, the president will be elected by a ballot of all members. But it is not clear whether the election for the leader and the election for the presidency will be simultaneous.

The point matters because it looks as if the election for the leadership will be contested. Dr Owen is pushing Mrs Shirley Williams to stand against Mr Jenkins and may still stand himself even if she agrees to do so.

On the assumption that Mr Jenkins wins, he will then become leader of the Alliance, as has already been conceded by Mr Steel. A primary duty of the leader of the Alliance will be to look after liaison with the Liberals rather than to lead the SDP. Therefore whoever becomes SDP president will be at least deputy leader of the SDP.

So who will stand for president? It could be Mrs Williams, Dr Owen, Mr Rodgers, or possibly all of them. All this has still to be worked out, as has the question of the timing of the leadership and presidency elections. Mr Steel can be forgiven for seeming confused about what is happening.

Behind the scenes is another argument about the separate identity of the SDP. It is not really an argument between the two parties, since all leading figures in the SDP accept the necessity of the Alliance for the next general election, and many of them genuinely admire the way the Liberals have developed. It stems more from thoughts about what might happen after that.

For Mr Jenkins, at 61, the Alliance has to do very well next time if he is to have any chance of becoming Prime Minister. For Dr Owen, at 43, the perspective is rather different. Say that the Alliance does quite well, but not sensationally so. The Alliance might then have outlived its purpose. The process of political realignment might go on, but with the SDP rather than the Alliance as the base. Dr Owen says the options must be kept open.

There are also some tactical reasons for preserving the separate identity, at least in the shortish term. If you are seeking to win support from old Labour Party voters, as the SDP is, it does not help to say that you have got into bed with the Liberals. And it is true that it was the birth of the SDP rather than any Liberal resurgence that produced the spur for the Alliance.

Very few of the differences between the SDP and Liberal leaderships are ideological. It is just that some in the SDP want to have their own distinctive style.

So much for the near future. Let us now make a jump and assume that the Social Democrats will sort out their internal organisation, as they have done so far. Mr Jenkins becomes leader of the Alliance and during the summer they produce a detailed statement on the form of proportional representation they would like to see under the next government. By autumn at the latest, the two parties will be preparing to fight a joint election campaign on a more or less common programme.

That will be when the policy and strategic problems begin. Does the Alliance fight more against Mrs Thatcher and her brand of Toryism, or against Mr Michael Foot and the Labour Party? Can it credibly establish its identity by fighting both at the same time?

What is happening is that the Alliance and Mrs Thatcher are beginning to compete for much the same ground. The Prime Minister, after all, has described Mr Jenkins as the best Chancellor of the Exchequer since the war. The Social Democrats, for their part, rather admire her radicalism. In particular, all the original members agreed to support—admittedly with reservations—Mr Norman Tebbit's Bill on the reform of trade union legislation, as they would never have done if they had still been in the Labour Party. That is a fundamental change.

If anyone can claim to be breaking the mould in British politics today, it is Mrs Thatcher.

The Social Democrats and Mr Steel have begun to admit this. They cannot seek to break the political mould themselves, then promise a return to the old ways of deals with the unions and shoring up industries. What they will have to do if they are to distinguish themselves from Thatcherism is to add an element of compassion, to play on her alleged insensitivity to the fact that change, though necessary, also hurts.

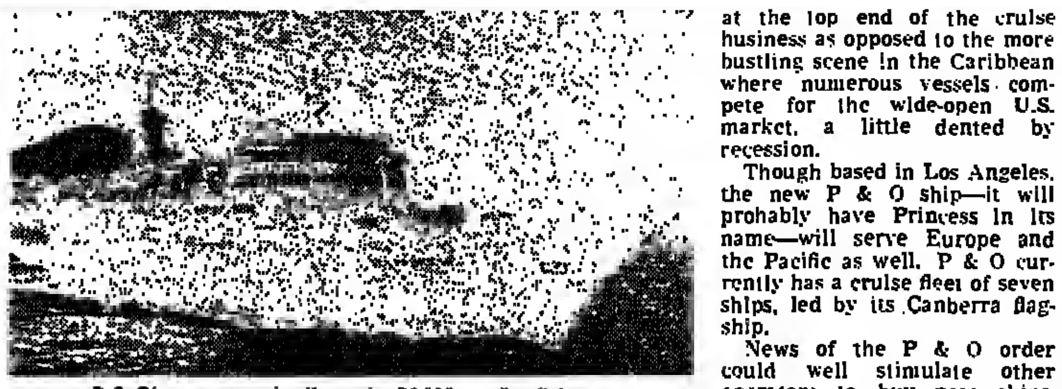
Leading Social Democrats say that where they differ from Mrs Thatcher is in caring more about society as a whole: they may be meritocrats, but they are concerned about those less fortunate.

Here, finally, is an example of how the climate of opinion has changed over the past two or three years. "It would focus minds splendidly if Sir Peter Parker were now to announce that British Rail is (as indeed it is) technically bankrupt. Therefore, he should warn in advance that when the unions troop in next month to present their 1982 pay claim, they will be told that the cupboard is bare and any increase at all will have to be covered by productivity concessions."

It comes not from the Daily Telegraph, but from an editorial in Wednesday's Guardian.

Weekend Brief

Carry on luxury cruising



P & O's newest cruise liner, the 28,000-ton Sea Princess

The days of POSH (Port Out, Starboard Home) may be a distant memory to those who could afford expensive and leisurely sea voyages, but unashamed luxury is by no means dead on the world's oceans.

There is plenty of money to be made by catering for those who want the atmosphere of sea, sun and "love" that a cruise conjures up. By its willingness to spend over $150m on a new cruise vessel, Britain's P & O has shown that shipping companies do not expect this market to dry up.

At prices of $100m and upwards, a new cruise ship is not something which shipping companies buy lightly. But several new ships are coming onto the market this year and other operators are thinking closely about whether to add to their own fleets.

The P & O ship is due to be delivered from Finland for service in late 1984. It will be based on the U.S. West Coast from where cruising has been demonstrated to the less monied masses by a TV programme, the Love Boat, which used one of P & O's Princess cruise ships.

P & O is in no doubt that the cruise sector will stay a highly profitable one. There are 90 cruise ships around the world, of which 40 are at least 20 years old. So over the next decade a fair number of these will have to drop out of the market.

The British company operates at the top end of the cruise business as opposed to the more bustling scene in the Caribbean where numerous vessels compete for the wide-open U.S. market, a little dented by recession.

Though based in Los Angeles, the new P & O ship—it will probably have Princess in its name—will serve Europe and the Pacific as well. P & O currently has a cruise fleet of seven ships, led by its Canberra flagship.

News of the P & O order could well stimulate other operators to buy new ships. Norwegian American Cruises, which has two up-market vessels, is considering whether to place an order. One of its ships was also used for a TV programme in West Germany called Traumschiff (dream ship).

Although NAC has not fixed a date, it does not see any point in waiting beyond 1982. "Conditions are right with the shipyards—it is a buyer's market," Mr Bjorn Fusche, president of the company, said in London recently.

Pope gets down to business

Pope John Paul II's May visit to Britain is going to be big business. Everything from balloons to platinum plaques are being produced to commemorate the visit and the Roman Catholic Church is gearing up to meet the commercial challenge.

But the offices of Papal Visits, the company specially set up as the Church's business arm for the event, don't quite match up to the image of the average business enterprise. In the hall of the austere St Vincent's Convent, near Victoria Station, the walls are enlivened with Latin inscriptions rather than sales graphs.

Attractive secretaries tap away at electric typewriters but there is a strong sense of decorum in the gaunt hall as packets of the Papal Prayer pile up in the corner. It is clear the Church is sensitive to the early razzamatazz image which it collected by appointing Mark McCormack's aggressive marketing company International Management Group which handles international stars to help.

"We maintained that, because we were dealing with a unique event from a commercial point of view, we could not deal with it internally," said Fr Kevin O'Connell, the quietly spoken press officer. "We needed a firm of proven worth in what was a very specialist area."

He said the appointment had focused a great deal of attention on the commercial aspects of the visit which include the licensing of approved products to commemorate the tour. There are already more than 50 different lines which will bear the Papal Visit logo, and other companies are still in negotiation.

Top of the range will be a £1,250 platinum plaque produced by a London company but there will be something for every price bracket. Tin button badges will go on sale at 30p, balloons at 50p upwards for a packet of ten, the ubiquitous tee-shirt for £3 and a host of pendants and medallions.

Under the terms of the agreements with the approved companies, 10 per cent of the royalties will be split between the Church which gets four-fifths and International Management which takes the remaining one-fifth. The Church is still cagey about how much the sales will raise but it is hoping that a television cassette of the event will be particularly lucrative.

It is counting on the sales to cover at least some of the cost of the visit which has been put unofficially at £6m.

Lifeline for British musicals

The cost of mounting a musical in the West End these days is unlikely to be less than £500,000. Profitable shows like *Cats* and *Evita* certainly cost that, as will the import to Drury Lane in May of the New York hit rock version of *The Pirates of Penzance*.

The future of the British musical—or at least any not written by Tim Rice and Andrew Lloyd Webber—could therefore find a lifeline in the sort of operation about to open at the Young Vic. Robert Fox, the West End's newest impresario (responsible for *Anyone For Denis?*), is sponsoring a musical version of Kit Williams' *Masquerade* to the tune of £30,000. The show is capitalised at £47,500, the extra money being found in the Young Vic's Arts Council subsidy and the unseen costs of keeping the building open.

Starting from scratch, such a venture on Shaftesbury Avenue would have a larger cast (there are 14 at the Young Vic), a larger orchestra, a larger salaries bill and a lot more frantic pre-publicity. Fox reckons this dressed-up workshop approach is "a good way of doing things for all concerned" and, if the show turns out to be half-way good, he promises to go the distance with it in the West End.

The elements of *Masquerade* are intriguing. The book has become something of a cult since publication in 1979, selling over 1½m copies. The author buried a richly jeweller 18-carat gold hare somewhere in the English countryside and the book—a sort of surreal adventure story illustrated in a style of luxuriant pop art with nods in the backward direction of Tenniel and Richard Doyle invites readers to extort clues from among the exotic text and pictures.

This literary treasure hunt has put a strain on relationships and ruined many a quiet weekend throughout the land. Families have been interviewed on television whose sole domestic leisure pursuit is that of the golden hare. Before long, no doubt, there will be books about the symbolic meaning, not just of Williams' work, but also of the place it has taken in people's lives.

The hare is to be played by Roger Rees, fresh from his Broadway triumph as Nicholas Nickleby with the RSC, the choreography is by Arlene Phillips of Hot Gossip, the director is Frank Dunlop of the Young Vic, and the music and lyrics are by Rod Argent, formerly of a group called The Zombies.

It all sounds quirky, offbeat and rather attractive. And if we are to have big new British musicals that are not written by Tim Rice and Andrew Lloyd Webber, March 5 (the opening night, after previews) promises to be an important date for artists, investors and musical theatre enthusiasts. Now, if you will excuse me, I must return to the book, the magnifying glass, the maps, the slide-rule and compass.

A telephone way to the stars

Those with an interest in astrology really should read the FT every morning because tucked away in the News Summary at the start of this month were two lines: "Phone a horoscope service started: 01-248-8000."

The number looked vaguely familiar. The FT number is 01-248-8000, only two digits away. One of our operators (we have 12) was asked "What about dial a horoscope?" After chatting around she said, "Yes, we have had a number of calls already. What did you say the number was?" She rang it and called back. "I am Cancer, you know. I'm out of sorts and moody today."

Before this month one had to read the popular tabloids each day to find out about your fortune. Now, just pick up the 'phone and listen to the delightful comment: "You will have heart trouble . . . but of the romantic kind."

Dial-a-Horoscope (Its official name is Starline) is a joint venture between *Woman* magazine and British Telecom. *Woman* (in the voice of Betty Hale, the Managing Editor) provides an up-dated tape each day.

If you have the time and the patience to listen to the other 11 months' birth signs, the voice will tell you that by dialling another number—it turned out to be an answering machine in Tunbridge Wells—Jilly Collins, *Woman's* consultant astrologer would provide you with an in-depth 32-page computer print out.

A week ago British Telecom was still battling with its new brainchild: "You want our general manager, Starline Service." After a few days trying to reach him we ended up with a department called "Circuit Provision Control."

They did not seem to know much about the conjunctions of the planets either. "I think," said the voice, "you need 'News Flash—Public Relations Notices'." Can you imagine that on a job application form?

Eventually a young woman said that British Telecom was in the business of making money. "We do sample-monitor the calls. If the horoscope service proves popular we might extend it regionally."

The results look promising. In the first week of operation in the London telephone area Starline clocked up 25,000 calls; in the second the total was 53,000. "We hope for 3m in the first year," said a spokesman. "At present we seem to be on target. Leisure-Line in London and Childrens' Line had 603,000 and 245,000 calls respectively last year."

But for the moment if you live in Carlisle and need a soothing voice to say that today is a good day for money matters, you still have to dial 01- . . .

Contributors:
Andrew Fisher
Mark Webster
Michael Coveney
Max Commander

Economic Diary

TOMORROW: Department for National Savings' monthly report for January.

MONDAY: EEC Foreign Ministers start two-day meeting in Brussels, agenda includes Poland and trade relations with U.S. and Japan. Provisional figures of retail sales for January. Commons debates the Lloyd's Bill. Petition to Chancellor of the Exchequer against tobacco tax increases.

TUESDAY: EEC political co-operation meeting, Brussels. Department of Employment publishes February provisional figures for unemployment and unfilled vacancies. Three-day plenary session of EEC economic and social committee opens in Brussels. Sir Keith Joseph, Education and Science Secretary, opens University and Industry exhibition, Clothworkers Hall, Mincing Lane. Mr Norman Tebbit, Employment Secretary, addresses Industrial Society conference on Industrial Relations Bill, London.

WEDNESDAY: Department of the Environment gives details of new construction orders for December. Short debate in the Lords on aid for the QA320 airbus. TUC general council meets, London. Oil, Gas, Petroleum and Process Plant exhibition opens, Bloomsbury Centre (to February 26).

THURSDAY: Lord Carrington, Foreign Secretary, arrives for two-day official visit to Zimbabwe. EEC Textiles Council meeting, Brussels. Department of Employment gives January final figures for unemployment and unfilled vacancies; December figures for employment in the production industries; overtime and short-time working in manufacturing industries during December; stoppages of work due to industrial disputes in January. January figures of new vehicle registrations. Energy trends. First report published by Insurance Ombudsman Bureau. ICI annual results announced.

FRIDAY: Department of Industry publishes figures for sales and orders in the engineering industries during November; final January figures for car and commercial vehicle production; fourth quarter provisional figures for finished steel consumption and stock changes.

Lloyds jumps and boosts payout

ON THE back of strong world-wide performance **Lloyds Bank** pushed taxable profit for 1981 sharply ahead from £289.9m to £385.6m with an advance of £65.8m to £210.9m coming in the second half. Net total dividend is being stepped up from 17.1p to 21.375p by a 12.75p final.

The contribution from Lloyds and Scottish, including the period after the former associate became a subsidiary, was up from £7.4m to £21m overall, the share of associates for the year was slightly higher at £25.4m (£24.5m).

On a current cost basis the group's pre-tax total showed an even greater percentage growth at £247.7m, against £164.5m.

Group operating profit climbed from £280.5m to £391m though there was a substantial rise in the provision for bad and doubtful debts to £85.7m (£67.8m) which Sir Jeremy Morse, the chairman, says reflects the continuing difficult economic conditions in many countries. However, the provisions by the parent were down from £41.2m to £28.6m.

The increase in operating profit was also helped by better control of costs and the decline of sterling.

Stated earnings per £1 share improved to 145.2p (118.2p) basic or 133.9p (108.6p) fully diluted, after tax of £122.9m (£87.8m). Dividend costs were up at £38m (£29.2m) but it was the once-for-all special levy on banking deposits this time of £58.6m that left retained profits lower—down from £172m to £167.2m.

An analysis of operating surplus shows that the international contribution was up from 39 per cent to 47 per cent: the parent and its UK subsidiaries advanced to £235.4m (£192.5m) while Lloyds Bank International jumped to £138.7m (£89.9m) and the National Bank of New Zealand added £15.8m, compared with £7.6m, but Lloyds Bank of California dived from £10.5m to £1.1m.

The bank reports that despite the recessionary influences and a fall in the average base rate to 13.3 per cent from 16.3 per cent in 1980, profits from domestic banking operations were well maintained in real terms. Earnings were helped by higher volumes and improved market share as both interest bearing deposits and advances showed growth in real terms and current account lodgments increased with inflation.
from the widening of the margin

Some benefit was obtained between average base rate and average deposit rate to 2.6 per cent (2.1 per cent), and non-funds-based income rose strongly. Firm control of all outgoings significantly reduced the acceleration of costs experienced in 1980, and the charge for bad and doubtful debts in the UK was at a lower level.

International earnings, on an historical costs basis, showed a significant increase which included a surplus of £11.2m (deficit £13.4m) on the translation into sterling of foreign currency working capital particularly reflecting the decline in exchange rate. The principal subsidiary, Lloyds Bank International, increased pre-tax profit to £120.6m (£64.5m) in 1980. Earnings benefited from the greater volume of business, rigorous cost control and the weaker pound; however, the charge for bad and doubtful debts, increased significantly, reflecting the higher volume of lending and deteriorating world conditions.

Hugh Routledge

Sir Jeremy Morse, Lloyd's Bank chairman, at yesterday's Press conference when he explained the factors behind the bank's £110.5m jump in 1981 operating profits.

A surplus of £135m on revaluation of group premises during the year has been added to reserves.

The operating total is reported after a charge of £15m (£11.5m) for the staff profit sharing schemes. The bad and doubtful debt provisions comprised specific provisions, little changed at £51.3m (£52.6m), but more than doubled general provisions of £34.4m (£15.2m).

Net interest income after these provisions increased to £945.8m (£778.6m) to which other operating income added £323.1m (£250.4m). Operating expenses took £877.9m (£748.5m).

The pre-tax figure was after interest costs on loan capital up from £15.1m to £30.8m.

At year-end, total deposits stood at £25.31bn (£18.12bn) and advances at £21.32bn (£14.89bn). Shareholders' funds amounted to £1.71bn (£1.4bn).

See Lex

Retail divisions tonic for Telefusion

MAINTAINED improvement by the Trident retail division is the main factor behind the increased group profits of Telefusion. Pre-tax profits rose from £95,000 to £1.45m in the six months to the end of October 1981. Turnover of this radio, television and electrical goods retailer and hirer, improved from £35.2m to £37.03m, excluding VAT. Trident Stores' share of the turnover increased from £14.94m to £16.63m.

The interim dividend is raised from 0.67p to 0.74p—last year's total was 1.6p.

Mr J. N. Wilkinson, the chairman, says that apart from the improvement by Trident, the rental and contracting divisions maintained profits during the first six months and subsequent video business has been particularly encouraging.

He says current trading is satisfactory and he continues to view the future with confidence.

Trading profit rose from £5.84m to £6.24m before rent received of £84,000 (£94,000), interest received of £170,000 (£139,000) and income from investments amounting to £15,000 (£16,000).

The pre-tax figure was struck after interest charges of £806,000 (£1.04m), depreciation £3.83m (£3.8m), equipment leasing £265,000 (£159,000), auditors' renumeration £39,000 (£35,000) and directors' emoluments of £122,000 (£97,000).

Tax was higher at £649,000 compared with £405,000, of which £564,000 (£328,000) came from the UK. Attributable profits emerged at £799,000 (£539,000).

Stated earnings per 5p share have improved from 1.18p to 1.72p.

● comment

Telefusion's rise in interim pre-tax profits was 46 per cent, calculated on a 26-week basis. The key is the performance of the Trident retail division. Complete reorganisation has finally enabled it to escape from losses. The computerised monitoring of stocks has helped to increase stock turnover substantially. The resulting improvement in cash flow has allowed necessary expenditure on VCR hardware and also reductions in borrowings. Although rental sales fell slightly on a 26-week basis, the swing from TV to VCR has improved margins. A long awaited delivery of videos from Japan has allowed Telefusion to meet demand and to increase market share. Telefusion's traditional interest in Cable TV will boost profits when and if the Home Office indulges in Reagan-style deregulation. Yesterday the share price fell 1p from a two year high to 52p, on a day when other rental shares advanced. Assuming a corresponding 10 per cent increase in the final, the shares yield about 5 per cent. Full year pre-tax profit of about £3½m is on the cards.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Adams and Gibbon		2.88	April 30	2.5	4.13	3.75
Lloyds Bank		12.75	April 2	9.6	21.38	17.1
Tace		Nil	—	0.85	Nil	0.85
Telefusion	int.	0.74	April 6	0.67	—	1.6
Watsham's	int.	3.75	March 31	3.75	—	10
Scottish Utd		1.02	March 29	0.97*	1.6	1.53*
Throgmrtn Secured	int.	0.61	April 2	0.61	—	2.58

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Tace breaks even in second half

HEAVY pre-tax losses of £385,000 against profits of £301,000 were incurred by Tace in the year to September 30 1981. Sales were down from £15.29m to £12.52m. No dividends are being paid for the year.

Mr J. H. M. Mackenzie, chairman of this manufacturer of electronic, electrical and mechanical control equipment, says that although the sharp fall in turnover in the early part of the financial year levelled out in the later months, a decrease of no less than 18 per cent for the year as a whole was incurred.

However, he says cost savings, lower interest charges—down from £620,000 to £575,000—and increased efficiency, enabled the group to achieve a virtual break-even in the second half, where there was a modest pre-tax profit of £1,000 compared with £15,000.

The group was involved in considerable expenditure on closure costs and redundancy payments, including provisions in respect of decisions being implemented in the current year. In total, the group's shareholders' assets decreased by £1.03m for the year as a whole, including £85,000 for ACT not currently recoverable.

Mr Mackenzie says the cost of survival was therefore heavy, but the group has returned to profitability in the first quarter of the current year.

In view of the year's results, the directors have decided not to recommend a final dividend on the ordinary shares, not the payment of the preferred ordinary dividend for the half-year to March 31 1982. In 1980 a total of 0.85p was paid.

Commenting on the current year, Mr Mackenzie says order books are now showing some signs of increasing, and the management accounts for the first quarter indicate that losses have ceased and the group is now trading at a more satisfactory level of profitability.

He says the actions being taken to reduce capital employed should result in reductions in borrowings and an improved return in the longer term.

Trading profit for the year fell from £921,000 to £190,000. There was a tax charge of £88,000 compared with £114,000 and after adding outside shareholders' interests of £17,000 (£34,000), there was an attributable loss to shareholders of £490,000 against profits of £153,000. Extraordinary debits, after transfer of £366,000 from reserves, were £142,000 (£130,000). The total transfers from reserves was £632,000 against £62,000.

There was a stated loss per 10p share of 7.76p against earnings of 2.42p. On a CCA basis, there was a pre-tax loss of £561,000, and a loss per share of 10.39p.

Cawdaw asks for shares suspension

Directors of Cawdaw Industrial Holdings, the textiles, timber, furniture and engineering group, yesterday requested the Stock Exchange to suspend the group's shares "pending clarifications of the company's position."

The suspension price of the shares was 13½p, placing a stock-market value of the company of £710,020.

In January, Cawdaw reported pre-tax losses of £415,000 for the half-year ending September 1981, against losses of £549,000 in the comparable period a year earlier.

The company told shareholders at the halfway stage that "although the first half-year was very disappointing, recent management accounts indicate a reduction in the rate of loss. Whilst the company is in a difficult financial position, the board, with the support of its clearing bankers in providing overdraft facilities, is continuing to take positive steps to reshape the group with a view to a return to profitability."

FNFC to expand consumer side

BY WILLIAM HALL, BANKING CORRESPONDENT

First National Finance Corporation's consumer finance operation, First National Securities, is to be substantially expanded. The group of London and Scottish clearing banks plus the Bank of England providing support for the group, has agreed to increase the consumer finance operations' loan facilities from £107.8m to £140m for the 12 months ending April 7 1983.

Mr J. P. R. Glyn, chairman of FNFC, says in the group's annual report, that the consumer credit division, which increased its trading profits to £8.8m in the year ended October 31 1981, has a "sound capital base in relation to its commitments and with its consistently good record of profits relative to assets employed it is ready to embark on an expansion of its business."

Since FNFC was reorganised in 1975 there has been considerable inflation but the growth of the consumer finance operation, which is based in Harrow and has 29 branches, has been limited because of the restrictions on the group's borrowings. Although borrowings from the support group have remained fairly constant, the volume of new business in terms of transactions, has declined each year.

To cater for the expansion, FNFC, has arranged for larger borrowings to be made available by the support group and it says these should be "adequate for the forseeable additional business" during the current year. The larger facilities will be made available subject to agreement of the reorganisation proposals now before the loan stockholders.

FNFC ran into financial difficulties during the fringe banking crisis of the mid-1970s and is undergoing a second financial reconstruction in order to avoid being wound up. Details of the reorganisation proposals have been posted to shareholders along with the annual report.

The letter to loan stock holders notes the differences of opinion about the position on capital gains taxation. FNFC had been advised that the substitution of the new 12¼ per cent convertible unsecured loan stock 1987, which it is proposed will be issued by First National Securities (Holdings), does not constitute a disposal of the 1982 stock for the purposes of UK capital gains tax.

The Inland Revenue, when asked to confirm this, expressed contrary views. Consequently, no assurance can be given that 1982 stockholders will be able to obtain roll-over relief in respect of the substitution of their stock by the new stock.

The annual report shows that the size of FNFC's tax losses has grown substantially and now amounts to approximately £105m.

The tax loss figures have been restated to incorporate amounts in subsidiaries not previously included at October 31 1980 when the availability of losses was not certain at that time.

Receiver for loss-maker Ben Williams

THE receivers have been called in at Ben Williams, the Basildon (Essex) based clothing manufacturer, which called a halt to dealings in its shares earlier this month.

A statement yesterday said that following a request from the board the National Westminster Bank, the company's bankers, had appointed joint receivers. They will keep the business going "for the time being in the hope of exploring the possibility of finding a purchaser."

Williams has been hit by falling demand in the past two years. Losses amounted to £145,000 in 1980, with turnover down from £1.95m to £1.7m. In the first half of 1981 there was a loss of £27,910.

Watsham's midway increase

IMPROVED PRE-TAX profits are reported by Watsham's for the half-year to September 30 1981, with figures up from £343,000 to £401,000. Turnover of this manufacturer and supplier of specialised products in optical, telecommunications and industrial safety industries, fell however from £1.57m to £1.46m.

The directors say the period was an active one. The addition of Optical and Electrical Coatings has strengthened the company's optical division, and the acquisition of Thames Valley Medical in December has similarly resulted in an enlarged pharmaceutical and medical division.

The strongly developed systems of management, marketing and control now cover a comprehensive range of industrial pharmaceutical and medical products with complementary locations providing a sound basis for nationwide marketing, they say.

These developments have substantially enlarged the group's potential and it has achieved this expansion while maintaining a strong capital base and cash resources, without need for borrowing. The maintenance of these strengths in an extremely difficult economic climate is of great importance and provides a basis for confidence in the future.

Tax for the half-year took £150,000 compared with £129,000. After minorities of £23,000 (£28,000) and extraordinary debits of £24,000 (£19,000), attributable profits emerged at £204,000 against £167,000.

Stated earnings per 25p share improved from 8p to 9.8p, and the interim dividend is unchanged at 3.75p—last year's total was 10p

SPAIN

February 18	Price %	+ or —
Banco Bilbao	335	
Banco Central	354	—3
Banco Exterior	306	
Banco Hispano	318	
Banco Ind. Cat.	115	
Banco Santander	355	—1
Banco Urquijo	234	—3
Banco Vizcaya	375	
Banco Zaragoza	238	
Dragados	186	—4
Espanola Zinc	65	
Fecsa	60.5	—0.7
Gal. Preciados	49.5	
Hidrola	65.7	—0.5
Iberduero	51.5	—0.5
Petroleos	98.5	+1.0
Petroliber	94.0	
Sogefisa	14	
Telefonica	72	
Union Elect.	63.5	—1.2

BIDS AND DEALS

Doulton in talks to sell home improvements side

Doulton and Co, a division of S. Pearson and Son, the publishing, banking, oil and entertainment combine, is negotiating the possible sale of its loss-making specialised home improvement activities to the Moben Group, the kitchen and bedroom furniture company.

It is also announced that Longman Group—part of Pearson Longman, the publishing subsidiary of S. Pearson—is acquiring part of the publishing operation of Development Systems Corporation of the U.S.

The Doulton home improvement activities form part of the Doulton Glass Industries subsidiary which showed a loss, before tax of £1.55m in 1980, compared with a record profit of £4.6m in 1978.

The home improvement side made good progress in the 1970s but moved into losses in 1980 and, although no figures are available, these losses increased in the first half of 1981.

Mr Jim Bentham, the managing director of Moben, said that the business Moben wanted to acquire had been founded by himself and Mr Lenny Morris—the Moben chairman—in 1967 in their first venture together.

It was sold to Doulton in 1971, but Mr Bentham and Mr Morris continued to run the business until 1978, when they went on to start up Moben. Moben was subsequently acquired in July 1979 by Kitchen Queen which ran into difficulties in early 1980—less than two years after coming to the market.

The main part of the Doulton home improvement business is Cold Shield double glazing which has a turnover of some £30m. There is also a window frames company, rising damp treatment company and a home extension division.

Mr Bentham said that the business had been loss-making for the past couple of years and he hoped to bring it back to profitability "in the not too distant future." He said that Moben made the first approach to Doulton and he hoped that negotiations would be completed within a week.

The sale of the DSC publishing operation to Longman has been approved by both companies and will be completed after final accounting procedures. The values of the net tangible assets to be transferred are estimated at completion to amount to some $550,000.

DSC's publishing operation has been active in the business and professional education market.

Heavier losses at Wood Hall

THE AUSTRALIAN group Elders IXL has posted the formal offer documents for its agreed £53.6m take-over of Wood Hall Trust, the holding company for a range of diversified interests, including extensive trading operations in Australia and the Far East.

The terms—215p cash for every ordinary share and 90p cash for every preferred share—are recommended to Wood Hall's shareholders by their board, by Samuel Montague, the company's advisers, and by Mr Michael Richards who established the company in 1947 and has been its chairman for 35 years. The offer is open until March 12.

Describing the Elders' bid as "fair and reasonable," Mr Richards indicates that the losses expected for Wood Hall's building group this year are heavier than earlier estimates suggested.

He indicated in his chairman's statement for the year ended June, 1981, that losses would result from the discontinuation of Wood Hall's Fairweather South subsidiary.

Provisions have already been made for these losses, but the board now believes the provisions "will prove to be inadequate."

Since June 30, 1981—Wood Hall's last audited balance sheet date—"borrowings mainly attributable to Wood Hall Building Group Limited for financing increases in stocks and work in progress of housing developments, and other borrowings of Wood Hall and its other UK subsidiaries, have increased from £14.8m to £25.5m at January 31, 1982." Net tangible assets at June 30, 1981, are shown as £49.9 or 183p per share.

The Elders' document, put out by Hill Samuel as advisers to the bidder, says that a review will be made of all the constituent businesses in the group. Until this has been done "it is not possible to make detailed plans" for their future.

Wood Hall's shares, which have attracted some buying interest in the Far East, in particular, since the Elders' dawn raid of February 9, closed last night down 1p at 210p. Elders now holds 29.99 per cent of the equity.

Swire plans scrip issue and placing

John Swire and Sons, the unquoted holding company for the Hong Kong-based traders Swire Group, is proposing a scrip issue of two new 6.3 per cent £1 preference shares and one new ordinary share for every two ordinary shares held or, if further clearance from the Inland Revenue is obtained, for each share held.

A Stock Exchange listing is being sought for the new preference shares but there is no intention to seek a listing for the ordinary shares.

When the preference shares are listed, holders will be able to participate in a placing with institutional and other investors—now being arranged with Lazard Brothers—of any preference shares they may wish to sell in this way.

It is also proposed that John Swire and Sons become a private company after the issues have been made.

MALAKOFF SALE

The directors of **Malakoff Berhad** have agreed to sell Sungei Buah division (Broome Estate, comprising 860 acres) for M$23m cash. This gives rise to a surplus over book value of some M$19m.

The deal is subject to a formal sale and purchase agreement to be drawn up, and to necessary consents and approvals from relevant authorities.

AID acquiring MAS

The directors of **Allied International Designers Group** have conditionally signed to acquire the capital of MAS Survey Research, for an initial consideration of £300,000 to be satisfied by £170,850 cash and the allotment of 615,000 ordinary shares of AID. The latter will not rank for any final dividend in respect of the year ended October 31 1981.

MAS was founded in 1958 and specialises in large scale consumer research. Its turnover for the year ended October 31 1981 was £1.6m and profit before tax came to £60,531. Net assets at that date were £205,768.

Application will be made for new shares to be traded on the USM. The contract also provides for additional consideration to be paid in respect of the accounting years ended October 31 1982, 1983 and 1984. In respect of 1982 and 1983, 50 per cent of MAS's pre-tax profits will be payable as deferred consideration. At the end of the accounting year 1984, a further amount will be payable equal to three and a half times the average of the profits before tax for the three years ending October 31 1984, less £150,000 plus the aggregate of the amounts paid in respect of the accounting years 1982 and 1983. These payments are to be made, at the vendor's option, in either cash or shares of AID.

SHARE STAKES

Television South West Holdings—Harry Turner, director, has bought 50,000 shares at 13.5p per share.

Glanfield Lawrence—Midland Bank Trust Company, acting on behalf of Allied Hambro Capital Trust, has acquired 125,000 "B" ordinary shares (9.03 per cent). London Assurance Nominees has disposed of entire shareholding of 135,000 "B" ordinary (9.75 per cent). R. Lewis-Jones has recently increased his beneficial interest in the ordinary shares from 33,000 to 44,000 (5 per cent).

Bardsey—M. O. W. Pearson acquired further 100,000 ordinary on February 16 at 14½p. Total shareholding 2.9m shares (9.81 per cent).

General Scottish Trust—Courtaulds Pensions Common Investment fund has disposed of holding of 2.08m ordinary shares.

General and Commercial Investment Trust—As a result of a purchase of 235,000 ordinary shares, Airways Pension Fund trustees holds 559,000 ordinary shares (10.46 per cent).

Sangers Group — Paget Agencies, on February 11 and 12, acquired 50,000 ordinary shares and on February 16 a further 25,000 shares, making its total holding 1,433,186 ordinary (15.11 per cent).

London and Strathclyde Trust—Imperial Life Assurance of Canada has acquired 989,999 ordinary units. Total holding 3,147,999 ordinary units (21.86 per cent).

Management takes over Mindev

A management buy-out has been effected at **Mindev Holdings**, parent of a group based in Bolton which manufactures underground mining and steel works machinery for supply to the UK and overseas mining and steel industries.

As a result the management will control 58 per cent of the ordinary capital and Scottish Offshore Investments will take 20 per cent.

The management of Mindev Holdings has purchased 50,000 12 per cent convertible participating redeemable preference shares from a company within the Williams and Glyns Banking Group for a total consideration of £75,000. In addition it has subscribed for 2,920 new ordinary £1 shares for £11,000.

In conjunction with the management, Scottish Offshore Investors has subscribed for 18,065 ordinary shares for £26,700, and has also invested £225,000 in the wholly owned subsidiary, Mindev Limited, by subscription for 62,500 10 per cent non-convertible redeemable preference £1 shares at par.

It has also made available £162,500 by way of a 15 per cent secured loan stock.

Scottish Offshore Investors is a fund managed by James Finlay Corporation, and specialising in investments in companies in the supply and service sector of the offshore and onshore energy industry.

INVESTMENT TRUSTS DEAL

Stewart Enterprise Investment has agreed to purchase certain small quoted and unquoted shareholdings, amounting to some £1.2m, from Scottish American Investment in return for new shares in Stewart, issued at asset value.

This will increase the portfolio of Stewart to approximately £5.6m, and will allow it to acquire an interest in certain companies which it otherwise could not purchase.

After the transaction Scottish American will have approximately 25 per cent of Stewart, and so have a significant investment in a smaller and more specialised trust, while disposing of some holdings that are too small to suit its portfolio, which is now over £100m.

A circular setting out full details of the proposals will be sent, within the next two weeks, to Stewart shareholders for their approval. It is proposed that the transfer should take place on the basis of an independent valuation at March 31 1982.

NEW SYLHET

The offer by Bon Marche Wine (Shippers) for New Sylhet Tea Hldgs. has been accepted in respect of 146,539 ordinary (76.32 per cent) and 8,540 preference shares (73.66 per cent). The offer remains open to February 26.

CHARLES HILL

Contracts have been exchanged for Charles Hill of Bristol to acquire Cliffords (Bristol) from its private shareholders. Consideration is £205,000 cash.

Cliffords was formed as an investment company in 1945 to acquire long leasehold interests in properties in Bristol. Its audited accounts for the period to December 31 1981 show a loss before tax, of £612, and net assets of £208,095. In order to establish the value of Cliffords' properties, a professional valuation has been incorporated in the net asset figure.

Results due next week

Yesterday's £385m profit from Lloyds will probably give the banking analysts confidence that they have got their eye in for this season's figures from the clearers. Estimates have tended to creep upwards over the last few weeks, and £450m before tax (against £410m) is now thought to be about the measure for National Westminster next Tuesday. That implies a reasonable second-half recovery after a £28m drop at the interim stage. Better domestic banking profits should be forthcoming on the basis of more buoyant inflow to current accounts and higher loan demand. The higher average level of interest rates will certainly have had a beneficial impact. International business should also be significantly better in the final six months (having been down by around a fifth at the half-way stage).

The publication early this week of UK chemical production figures, revealing a sharp decline in December, has made some analysts slightly nervous about their forecasts of fourth-quarter profits from Imperial Chemical Industries. However, the increasing volume and price trends seen in the third quarter should have continued in the fourth, helping to sustain the group's rapid profit recovery. The decline in sterling against European currencies, especially the D-mark, was also important. ICI reports on Thursday and pre-tax profits for the final quarter might be a little over £100m compared with £86m in the third quarter, £83m in the second and only £7m in last year's disastrous fourth quarter. This suggests profits of about £325m for the full year compared with £284m. The second interim dividend is expected to be partially restored to 9p, making 18p for the year compared with 17p.

Commercial Union will undoubtedly turn in lower profits for the fourth year running, when it reports next Tuesday. The more bearish end of the market is expecting a pre-tax profit of about £60m, compared with £103m in 1980 and £142m in 1978. (The middle view is for just over £70m before tax). There will have been worse underwriting losses in the UK commercial categories, and a deterioration in U.S. underwriting performance could result in a loss of as much as $170m. Altogether, underwriting losses stand to reach around £140m, covered by investment income of about £190m. Profits on life business (and in associates) makes up the balance of £20m or so. In the circumstances a maintained final—making 11.25p in all—would be covered, if not with much to spare. Analysts are more worried, on the whole, about the dividend for 1982, when most of them expect CU to slide still further. The immediate figures are of less interest than some indication that operating expenses are under control in the U.S.

Losses of around £4.5m are anticipated when Carrington Viyella reports its year end figures on Wednesday. In 1980 the company lost £8.3m pre-tax, and rationalisation should account for much of the improvement. But factory closures, with the workforce cut by over a quarter, will be reflected in substantial below the line losses. The biggest turnaround has been in the carpet business, which should have at least broken even. But Carrington is still right in the firing line of low-cost imports. The £5m received from the sale of its profitable South African subsidiary will have reduced borrowings. Some uncertainty about the figures to be announced is based on whether or not what remains in South Africa has been deconsolidated.

When the tight ship of Nottingham Manufacturing sails into port with its full year figures on Monday, around £17m in pre-tax profits is expected. This would be a record, and compares with last year's £15m. Over £4m of the anticipated profits should come from investment income from the company's cash mountain, which stood at over £46m last year-end. Benefits have come from Marks and Spencer's concentration on its major suppliers. Much of the hope for this year depends on M and S allowing those suppliers more leeway on margins. The acquisition of carpet manufacturers Homfray last month, shows Nottingham's willingness to take on the cut-throat competition in the high volume tufted carpet market.

Another Marks and Spencer textile supplier, Vantona, reports its figures for the year on Tuesday. In the year to November 1980 it made £4.3m pre-tax.

Plessey reports third quarter figures on Thursday and analysts are expecting the group to reinforce its growth status with another solid performance. Pre-tax profits should be up about 20 per cent to £26m for the quarter, making over £77m for the nine months compared to £60.6m. Private and defence telecommunications systems are thought to have done especially well and the strong order intake has continued. One uncertainty is whether or not the rationalisation costs at the office systems plant at Beeston will be taken above the line.

Among other results due next week are preliminary figures from Grindlays Holdings on Tuesday and Hoover and Marchwiel on Wednesday. Also on Wednesday, Harrison Malaysian Estates is reporting interim figures while Johnson Matthey and Wedgwood publish third quarter results.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Abbey Panels Investments	Monday	1.3	0.75	1.3
Al Industrial Products	Friday	—	0.01	—
Anglo-International Inv. Trust	Monday	2.0	3.0	2.0
Aquis Securities	Tuesday	0.3	0.6	0.3
Baynes (Charles)	Monday	0.2	0.425	0.25
Cardinal Investment Trust	Thursday	1.65	2.85	1.65
Carrington Viyella	Wednesday	—	—	—
Child Health Research Inv. Trust	Wednesday	—	—	—
Commercial Union Assurance	Tuesday	4.4	6.4	4.85
English & Scottish Investors	Monday	0.6	1.2	0.75
First Scottish American Trust	Tuesday	1.3	3.25	1.3
Grindlays Holdings	Tuesday	1.25	2.875	1.25
Hoover	Wednesday	4.0	2.0	—
Imperial Chemical Industries	Thursday	12.0	5.0	9.0
Investing In Success Equities	Tuesday	1.2	3.7	1.2
Jones (Ernest) Jewellers	Tuesday	1.4	2.5	1.4
Marchwiel	Wednesday	2.4	3.6	2.4
Moorside Trust	Wednesday	1.0	2.5	1.0
National Westminster Bank	Tuesday	3.75	12.25	9.625
Nottingham Manufacturing	Monday	1.0	3.0	1.1
Romney Trust	Monday	1.3	3.1	1.3
St. Andrew Trust	Thursday	2.5	3.8	2.5
Vantona Group	Tuesday	3.0	5.0	3.0
Ward Holdings	Thursday	1.18	3.01	1.19
Westwood Dawes	Thursday	—	—	—
INTERIM DIVIDENDS				
BPM Holdings	Wednesday	1.58125	4.19375	
Eleco Holdings	Wednesday	1.0	2.4	
Footwear Industry Investments	Thursday	1.54	3.4	
Harrisons Malaysian Estates	Wednesday	2.6	8.5†	
Joe Holdings	Monday	1.075	2.35	
Plessey	Thursday¶	3.22	4.411	
Tor Investment Trust	Thursday	2.8	3.3	
INTERIM FIGURES				
Celtic Haven	Friday			
Johnson Matthey	Wednesday¶			
Ramar Textiles	Thursday			
Scottish Investment Trust	Thursday‡			
Wedgwood	Wednesday¶			

* Dividends are shown net pence per share and adjusted for any intervening scrip issue. † Includes a dividend of 3.0p arising from the surplus on the sale of holding in Harrisons and Crosfield. ‡ First quarter figures. ¶ Third quarter figures.

UK COMPANY NEWS

Kennedy Brookes on target

IN LINE with midterm predictions of more than £200,000, pretax profits of Kennedy Brookes more than doubled to £267,253 for the year to October 25 1981, against £128,795 previously. Turnover of this catering group climbed from £1.28m to £3.7m.

As forecast in August, a final dividend of 0.7p net per 10p share makes a total payment of 1.05p. The company's shares are traded on the Unlisted Securities Market.

There is again no tax payable for the year, while an extraordinary credit of £19,053 (nil) results in net available profits up from £128,795 to £286,306. Earnings per 10p share are given at 15.17p (14.52p).

Pre-tax figures were after charging depreciation of £199,922 (£46,496), directors' remuneration £55,500 (£23,000), interest on short-term loans and overdrafts £102,816 (£66,054), auditors' remuneration £9,000 (£13,000), and hire of equipment £36,385 (£7,680).

The company says that details of proposed changes to the articles of association, a senior executives share option scheme, a Save-As-You-Earn employee share scheme and details of concessionary rates for shareholders at the group's restaurants, will be despatched with the report and accounts.

Granada sees 1982 as a year of investment

1982 IS a year of investment for Granada Group, which will show a return in future years, says Mr Alex Bernstein, the chairman, in his annual statement. Capital investment in the year ended September 26 1981, amounted to £110m.

Group pre-tax profits for 1980-81 rose by 13 per cent from £42.49m to £48.11m—as reported December 10. Despite the considerable problems caused by the recession, all group companies increased profits, except Granada Motorway Services, which faced a reduction in motoring caused by exceptional price increases in petrol.

While the recession lasts it will continue to affect the group's businesses, states Mr Bernstein, particularly those dependent on consumer spending, such as bingo social clubs and motorway service areas. But, he says, all companies are in a position to take advantage of any upturn in the economy.

In its current financial year, Granada is making a contribution of £5.7m to the cost of the Fourth Channel, which will only come on the air in November 1982, early in the group's following financial year. The investment in the Fourth Channel represents one of the heaviest items of additional expenditure which ITV companies are required to carry under the terms of their new contracts started on January 1 1982.

Other costs include a contribution towards a greatly increased rental to the Independent Broadcasting Authority for its transmitter services and to cover the costs of the Authority's supervisory role in the ITV system.

Mr Bernstein says it has become clear that the apportionment of these costs between the ITV companies depends more on the profitability of each company than on the size of its area and its advertising potential. "We have made representations to the IBA in the past that we have borne a disproportionate share of the industry's costs and now, with the prospects of such heavy increases in the payments to the Authority, we are once again concerned that we are bearing an unfair share of these additional costs.

"The capacity of the ITV companies to meet such heavy financial burdens, maintain the quality of their service and achieve a reasonable profit, will obviously depend primarily on the resilience of the demand for television advertising. This has held up remarkably well so far, but the outlook for next year is difficult to predict," he states.

When the Fourth Channel opens Granada will, of course, have the benefit of its advertising revenue in the group's region. The chairman says Granada confidently believes that the new service will make a worthwhile additional contribution to British television and that it will get a good response from viewers. "We have already taken the lead in interesting advertisers in the new opportunities it can offer them."

The group is also making a very major investment in the purchase of video recorders for its rental businesses, both in the UK and overseas. It is in the nature of a rental business that the installation of equipment pays off in the later years of a rental contract, but Granada is sure that the investment is a good one and will give a satisfactory return, particularly since the advanced technology employed in the group's machines should ensure that they have a reasonable life, Mr Bernstein states. He remains confident that video will have an increasing impact on Granada during the eighties.

Meeting, 36, Golden Square, WC, March 15, 12.30 pm.

Lower interest charges benefit Adams & Gibbon

A REDUCTION of almost 50 per cent in interest charges, from £662,000 to £339,000, has enabled Adams and Gibbon, garage proprietor, motor dealer and motor engineer, to increase pretax profits from £185,000 to £227,000 for the year ended November 30 1981. First-half taxable figures were marginally ahead at £123,000, against £121,000.

The board comments that the modest increase in profitability has arisen from the group's efforts to reduce borrowing costs and to bring working capitalisation into line with reduced levels of trading activity, together with strict control of operating costs.

The continued intensity of the recession greatly restricted vehicle sales in the autumn quarter.

Turnover for the 12 months fell from £25.77m to £22.61m, while net profits dropped by £22,000 to £235,000 after lower tax credits of £8,000 (£72,000).

Comparative profits have been restated. It is pointed out that a change in accounting policy affecting stock valuation has given rise to a prior year adjustment.

The year's dividend is being raised from 3.75p net to 4.125p per 25p share, with an increased final of 2.875p (2.5p).

Trading conditions have not eased in any significant way during the year and the board feels that the defensive policies adopted have proved justified in that the group continued to avoid any severe loss-making situations.

The board now feels more optimistic for the future of the passenger car activities as the General Motors range appears to be heading for a larger market share.

However, some stimulation of the national economy is needed before the whole group can begin to recover the lost ground of the past two years.

Until this occurs, the board is increasing efforts to improve efficiency with particular emphasis on vehicle sales departments.

GRIQUALAND EX.

Acceptances have been received in respect of 96.83 per cent of the 8.9m shares of Griqualand Exploration and Finance offered in a rights issue at R2 per share. The remaining 284,450 shares have been taken up by the underwriter, General Mining Union Corp.

Copperbelt mines need fresh funds

BY KENNETH MARSTON, MINING EDITOR

THE circular giving full details of the proposed merger of Zambia's two major copper groups, Roan Consolidated Mines (RCM) and Nchanga Consolidated Copper Mines (NCCM) points out that in the absence of material increases in copper and cobalt prices the new company, Zambia Consolidated Copper Mines (ZCCM) will initially experience major cash shortages.

There will thus be the need for further borrowings to maintain the existing and planned levels of production. The Bank of Zambia has agreed to advance funds up to March 31 next year to meet any shortfall after facilities from the commercial banks have been used.

Like most other copper producers, both RCM and NCCM are operating at a loss and this is expected to continue in the final quarter of their financial year to March 31. Neither company expects to pay any dividend for the year.

Despite all the present difficulties, which include a shortage of skilled labour, the Copperbelt mines have a good long-term potential. Fully and partially developed ore reserves at the RCM properties were estimated at March 31 last to amount to 35.9m tonnes grading 2.54 per cent copper, including 4.9m tonnes of ore containing 0.51 per cent cobalt.

In addition, it is reckoned that there are indicated and potential reserves capable of development which at current mining rates will last for at least 25 years.

NCCM fully and partially developed ore reserves are estimated at 57.7m tonnes grading a good 3.83 per cent copper, including 23.5m tonnes containing 0.17 per cent cobalt. Indicated and potential reserves are expected to last for at least 40 years.

As already announced the merger terms involve a capital reconstruction of RCM whereby holders of existing "A" and "B" shares of K4 (242p) will end up with one share of K10 for each share of K4 now held.

RCM will acquire NCCM by the issue of 31m new "A" shares of K10 to the Zambian Government holding company, Zambia Industrial and Mining Corporation (Zimco) and 20.6m "B" shares of K10 to Zambia Copper Investments in return for their holdings of NCCM.

Following the arrangements the new Zambia Consolidated Copper Mines will be 60.3 per cent-owned by Zimco with Amax holding 6.9 per cent and Zambia Copper Investments with 27.3 per cent. The rest will be in the hands of public investors.

In London yesterday Roan Consolidated Mines were 60p and Zambia Copper Investments 20p.

BASE LENDING RATES

A.B.N. Bank	14 %	Robert Fraser	14 %
Allied Irish Bank	14 %	Grindlays Bank	‡14 %
American Express Bk.	14 %	■ Guinness Mahon	14 %
Amro Bank	14 %	■ Hambros Bank	14 %
Henry Ansbacher	14 %	Heritable & Gen. Trust	14 %
Arbuthnot Latham	14 %	■ Hill Samuel	§14 %
Associates Cap. Corp.	14 %	C. Hoare & Co.	†14 %
Banco de Bilbao	14 %	Hongkong & Shanghai	14 %
BCCI	14 %	Knowsley & Co. Ltd.	14½ %
Bank Hapoalim BM	14 %	Lloyds Bank	14 %
Bank Leumi (UK) plc	14 %	Mallinhall Limited	14 %
Bank of Cyprus	14 %	Edward Manson & Co.	15 %
Bank Street Sec. Ltd.	15½ %	Midland Bank	14 %
Bank of N.S.W.	14 %	■ Samuel Montagu	14 %
Banque Belge Ltd.	14 %	■ Morgan Grenfell	14 %
Banque du Rhone et de la Tamise S.A.	14½ %	National Westminster	14 %
Barclays Bank	14 %	Norwich General Trust	14 %
Beneficial Trust Ltd.	15 %	P. S. Refson & Co.	14 %
Bremar Holdings Ltd.	15 %	Roxburghe Guarantee	14½ %
Bristol & West Invest.	15 %	E. S. Schwab	14 %
Brit. Bank of Mid. East	14 %	Slavenburg's Bank	14 %
■ Brown Shipley	14½ %	Standard Chartered	‖14 %
Canada Perm't Trust	14½ %	Trade Dev. Bank	14 %
Castle Court Trust Ltd.	14½ %	Trustee Savings Bank	14 %
Cavendish G'ty T'st Ltd.	15½ %	TCB Ltd.	14 %
Cayzer Ltd.	14½ %	United Bank of Kuwait	14 %
Cedar Holdings	14 %	Whiteaway Laidlaw	14½ %
■ Charterhouse Japhet	14 %	Williams & Glyn's	14 %
Choulartons	14½ %	Wintrust Secs. Ltd.	14 %
Citibank Savings	¶14 %	Yorkshire Bank	14 %
Clydesdale Bank	14 %		
C. E. Coates	14½ %		
Consolidated Credits	14 %		
Co-operative Bank	*14 %		
Corinthian Secs.	14 %		
The Cyprus Popular Bk.	14 %		
Duncan Lawrie	14 %		
Eagil Trust	14 %		
E.T. Trust	14 %		
Exeter Trust Ltd.	15 %		
First Nat. Fin. Corp.	17 %		
First Nat. Secs. Ltd.	17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 11.50%. 1-month 11.75%. Short term £8,000/12 month 14.10%.
† 7-day deposits on sums of:—under £10,000 11½%, £10,000 up to £50,000 12¼%, £50,000 and over 12½%.
‡ Call deposits £1,000 and over 11½%.
‖ 21-day deposits over £1,000 13%.
§ Demand deposits 12%.
¶ Mortgage base rate.

EUROPEAN OPTIONS EXCHANGE

Series		Feb. Vol.	Feb. Last	May Vol.	May Last	Aug. Vol.	Aug. Last	Stock
GOLD C	$375	—	—	54	19.50	6	33 B	$369.50
GOLD C	$400	—	—	7	11	88	23	"
GOLD P	$350	—	—	138	7.70	—	—	"
GOLD P	$375	143	5.50	8	16 B	13	22	"
GOLD P	$400	14	31	15	34	305	36.50	"
GOLD P	$425	2	55 A	7	54	3	54	"
GOLD P	$450	—	—	1	81	—	—	"
13¾ NL 81 87-91								
C	F.102.50	—	—	—	—	9	6	F.108
C	F.105	33	2.90	—	—	—	—	"
C	F.107.50	54	0.40	—	—	176	1.80	"
C	F.110	—	—	—	—	190	0.70	"
P	F.107.50	—	—	6	0.50	—	—	"
12 NL 81 85-88								
C	F.102.50	145	1.10	60	1.80	—	—	F.103.70
10¾ NL 80 86-95								
C	F.97.50	501.60	—	61	2.20	—	—	F.99.40
C	F.100	—	—	—	—	80	1.40	"
		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	
ABN C	F.380	10	5.80	—	—	—	—	F.374
ABN C	F.300	68	1.50	—	—	—	—	
AKZO C	F.25	50	6	10	3	—	—	F.25.50
AKZO C	F.27.50	90	0.80	3	1.50 A	—	—	"
AKZO P	F.25	5	0.30	32	0.80	—	—	"
AMRO C	F.50	38	1.40	38	2	7	3 A	F.48.50
HEIN C	F.55	—	—	13	1.80	—	—	F.51.70
HEIN P	F.50	5	1	—	—	—	—	
IBM D	$55	—	—	—	—	6	4½	$53⅞
KLM C	F.90	162	6.10	8	9	3	10.80	F.93.50
KLM C	F.100	127	2.30	16	5.10	—	—	"
KLM C	F.110	35	0.80	30	2.90	—	—	"
KLM P	F.80	45	0.70	3	1.70	70	3.50	"
KLM P	F.90	77	2.90	—	—	—	—	"
KLM P	F.100	86	7.50	10	9	—	—	"
NEDL C	F.150	7	1.50	9	3	—	—	F.181
NEDL P	F.140	—	—	—	—	6	2.50	"
NEDL P	F.120	37	3	30	9	6	9	"
NEDL P	F.150	47	9 A	5	16.50	—	—	"
NATN C	F.105	20	4.80	—	—	—	—	F.108
PHIL C	F.20	206	4.10	60	4.30 A	—	—	F.24
PHIL C	F.22.50	172	2	141	2.30	16	3	"
PHIL C	F.25	304	0.50	819	1.10	255	1.60	"
PHIL P	F.22.50	5	0.20	50	0.50	100	0.70	"
PHIL P	F.25	—	—	85	1.90	10	2.10	"
RD C	F.80	66	3.50	—	—	—	—	F.80.10
RD C	F.90	77	0.50	8	1.50	—	—	"
RD C	F.100	10	0.20	—	—	—	—	"
RD P	F.70	85	0.30	—	—	—	—	"
RD P	F.80	34	2.50	4	4.30	—	—	"
UNIL C	F.150	73	3.50	60	4.70	—	—	F.167.80
		Feb. Vol.	Feb. Last	May Vol.	May Last	Aug. Vol.	Aug. Last	
BOEI P	$20	—	—	—	—	10	2¼	$19½
BASF C	DM.130	4	0.50	—	—	—	—	DM130.90
SLUM C	$50	5	⅛	—	—	—	—	$48⅞
VW C	DM.130	4	17	—	—	—	—	DM.148
VW C	DM.140	17	6	—	—	—	—	"
VW C	DM.150	—	—	—	—	13	11	"

TOTAL VOLUME IN CONTRACTS: 4562

A=Asked B=Bid C=Call P=Put

SUMMARY WEEK'S COMPANY NEWS

Take-over bids and deals

The next round in the takeover battle for Associated Communications Corporation is awaited following Bell Group's stated intention to match Heron Corporation's £46.6m bid and the latter's riposte on Thursday upping the stakes to £49.4m, or 90p per share. Meanwhile, Heron's legal bid to stop ACC directors transferring their shares to Mr Holmes à Court goes on.

Dealings in the shares of CCP North Sea were suspended at 145p on Monday following a surprise bid approach. CCP is dealt in the Unlisted Securities Market and Cluff Oil holds a 29.4 per cent stake; the latter denied that it had made the approach.

Talks between Sturla Holdings and Laganvale Estate broke down after the latter decided to withdraw its recommendation of Sturla's offer. In the discussions, the directors of Laganvale indicated that Sturla's profit forecast did not meet certain requirements.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Assoc. Comms. 'A'	68*	81	52††	35.8	Bell Group
Assoc. Comms. 'A'	90*	81	73	46.13	Heron Corp.
Callender (G. M.)	85*	82	56	5.78	Colas Prods.
Colonial Secs.	72	68	54††	8.02	Utd. Newspapers
Croda Int.	70*‡	80	43½	62.8	Burmah Oil
Croda Dfd.	37*§	32	21	3.90	Burmah Oil
Grant Bros.	190*	186	179	2.28	Jadepoint
Heron Motor Grp.	34*§	33	23	4.33	Heron Corp.
Holden (A.)	180*	182	158	12.82	ICI
Huntley & Plmr.	105§§	110	108	57.36	Rwntree. Mkntsh.
Leadenhll. Strlng.	125*‡	120	65††	5.62	Hays
New Sylhet	200*	220	225	0.38	Bon Marche Line
Normand Electrl.	54½§§	51	41††	4.90	Henderson (P. C.)
Oldham Brew.	164	157	81	23.62	Boddingtons
Speedwell Gear Case	15*	14	23	14.4	Astra Ind.
Ward (T.W.)¶¶	225†	232	144	131.31	RTZ
Wood Hall Trust	215*	210	156	52.74	Elders IXL

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on 19/2/82. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

Offers for sale, placings and introductions

Adamite—Private placing of £850,000 120 per cent cumulative preference shares of 10p each at 100p per share.

Energy Finance and General Trust—Is raising £1.65m gross by way of a rights issue on the basis of one for two at 40p per share.

First Castle Electronics—Is raising £2.56m gross by way of a one-for-one rights issue at 30p per share.

Lee Valley Water—Offer for sale by tender of £5m of 9½ per cent redeemable preference stock, 1989, at a minimum price of £99 per cent.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Alexanders Hldgs.	Sept.	152	(416)	0.6	(2.9)	—	(—)
Bath & Portland	Oct.	2,800	(1,480)	10.0	(6.3)	4.5	(2.0)
Birmid Qualcast	Oct.	1,640	(225)	1.5	(—)	1.5	(1.5)
Brooke Tool Eng.	Sept.	115L	(641)	—	(8.1)	0.75	(3.5)
Community Radio	Sept.	291	(361	4.4	(33.6)	7.5	(15.0)
Crest Intl.	Dec.	607	(16)	1.1	(0.5)	—	(—)
D.A.D. Props.	Dec.	466‡	(418)‡	1.8	(1.8)	1.8	(1.53)
Drake & Scull	Oct.	3,600	(2,170)	10.4	(6.2)	3.0	(2.75)
Foreign & Col.	Dec.	8,840	(7,770)	2.1	(1.9)	2.04	(1.85)
Gillette Bros.	Dec.	231†	(675)†	8.5†	(21.1)†	8.75	(17.7)
Goode Durrant	Oct.	2,300	(1,790)	6.1	(4.6)	0.88	(0.75)
Hadland (John)	Dec.	159	(514)	4.0	(12.8)	2.52	(—)
Howard Machine	Oct.	78	(5,200)L	—	(—)	—	(—)
Metal Bulletin	Dec.	915	(782)	9.8	(8.8)	5.5	(5.0)
Newbold & Brtn.	Dec.	420	(347)	6.6	(5.6)	3.78	(3.78)
Parker (F.)	Sept.	3,100	(692)L	19.7	(2.3)	4.5	(1.2)
Plastic Constrtn.	Sept.	183	(415)	4.1	(5.5)	2.1	(2.87)
Wagon Finance	Dec.	860	(1,270)	1.8	(2.4)	2.31	(2.31)
Whittingham (W)	Oct.	2,960	(2,850)	40.5	(32.0)	7.0	(6.75)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Apex Properties	Sept.	347	(363)	0.7	(0.7)
Ariel Industries	Sept.	48L	(56)	0.54	(0.54)
Baldwin (H)	Oct.	94L	(156)L	—	(—)
Copson (F.)	Oct.	61	(58)	—	(—)
Dalgety	Dec.	19,600	(16,200)	11.0	(11.0)
Elbief	Oct.	136	(133)	0.39	(0.39)
Equipu	Oct.	250	(217)	1.1	(—)
Parkfield Fndries.	Oct.	18	(111)	0.35	(0.35)
Ransome (Wm)	Sept.	154	(158)	1.5	(1.5)
Ratcliffe Inds.	Oct.	83L	(90)L	—	(—)
Reliance Knit	Oct.	110	(30)	0.77	(0.77)
Scot & Mercantile	Sept.	268	(509)	2.5	(—)
Utd. Real Prop.	Oct.	859	(628)	1.25	(1.25)
Webb (Joseph)	Sept.	240	(271)	0.13	(0.12)
Young (H)	Nov.	40L	(25)	—	(—)

(Dividends in parentheses are for corresponding period.)
* Dividends shown net except where otherwise stated. † Profits after tax and a transfer from contingencies. ‡ In I£. L Loss.

Scrip Issue

Alexanders Holdings—One ordinary for every 10 ordinary or "A" ordinary.

APPOINTMENTS

Financial director for Automotive Products

Mr Robert C. Tomkinson has been appointed financial director of AUTOMOTIVE PRODUCTS, based at group headquarters in Leamington Spa, Warwickshire. He was formerly financial director of Intercontinental Fuels and will report directly to AP chief executive Mr George Pears.

*

Mr John Hall has been appointed finance director for the NORFOLK CAPITAL HOTEL GROUP. He was formerly financial controller with Spink and Sons, fine art dealers.

*

Mr Roger Sykes has been appointed managing director of ALCAN SAFETY GLASS Leeds. He takes over from Mr Michael Hamilton who has been promoted to managing director of Alcan Foils, Wembley. Mr Sykes was formerly general sales manager of Alcan Extrusions.

*

Mr A. J. Wadsworth, at present a divisional advances controller, MIDLAND BANK, has been appointed an assistant general manager, with special responsibility within group treasury.

*

Mr Dillwyn Miles, a former member of the Pembrokeshire County Council, has been re-elected chairman of the NATIONAL ASSOCIATION OF LOCAL COUNCILS. Mr Peter MacGregor has been re-elected vice-chairman.

*

Mr Jeffrey B. Morford has joined CONTINENTAL ILLINOIS INTERNATIONAL INVESTMENT CORPORATION as investment officer with the international sales group based in London. Coincident with this assignment he was named a second vice-president, CIIIC.

Mr R. C. Tomkinson

*

Sir John Woolf has been appointed chairman of BRITISH AND AMERICAN FILM HOLDINGS in succession to the late Sir John Foster.

*

BRITISH GAS has appointed new chairmen for its Northern, North Western and North Eastern Regions. All three appointments take effect on April 1. Mr Keith Summersgill, deputy chairman of East Midlands Region, becomes chairman of the Northern Region, succeeding Mr Brian Clegg, who is retiring. Mr George Scott, deputy chairman of the North Western Region, becomes chairman of the same Region, succeeding Mr Patrick Gallaher, who is retiring. Mr Howard Greenfield, deputy chairman of the Northern Region, becomes chairman of the North Eastern Region, succeeding Mr Frank Barker, who is retiring.

*

The ROYAL BANK OF CANADA has transferred Mr Ian A. MacKay from the IMM department in Toronto to vice-president, international money markets, Europe, Middle East and Africa, in the London office.

*

DELTA GROUP joint management director, Mr T. R. M. Kinsey, will be leaving shortly for a post outside the group. His duties will be taken over by the other joint managing director, Mr E. W. Webber.

*

MANUFACTURERS HANOVER TRUST has appointed the following as vice-presidents: Mr Keith H. Ayres, Mr Maurice G. Drage, Mr Terence L. French, Mr Keith C. T. Green, Mr Eric A. Lawrence and Mr Abraham S. Marrache.

*

Mr J. Keith Harwood, managing director of R. H. Macy United Kingdom and Ireland and chairman of the Export Buying Offices Association, has been appointed vice-president of R. H. MACY CORPORATE BUYING.

CONTRACTS

British Airtours wins £11m holiday package

BRITISH AIRTOURS has won a contract worth £11m to carry inclusive holiday passengers for OSL/Viking to destinations in Europe this summer. The contract was previously with Laker Airways. It involves about 160,000 passengers and the destinations, which include Athens, Rhodes, Faro and Palma, are already served by Airtours, a subsidiary of British Airways. Owners' Services (OSL) operate on behalf of passengers with interests in holiday villas in Europe.

*

ADAMSON CONTAINERS, Reddish, has won a £3m order from Shirlstar Container Transport to supply both 20ft and 40ft open top containers. The order will begin in the spring and will be completed by the end of the year.

*

INTERNATIONAL COMPUTERS (ICL) has won export orders worth more than £1.5m to supply ICL system 25 computer systems to six customers in Switzerland. They include the Swiss Bank Corporation.

*

BTR BELTING of Lancashire is to supply £1m worth of silver-cord steel cord conveyor belting to the Neyveli Lignite Corporation, which operates one of the largest open cast lignite mines in Tamil Nadu state in south India.

*

RENOLD POWER TRANSMISSION has won an order worth over £94,000 for a package of gear components to be fitted to a ladder winch on a bucket dredge which will operate in depths down to 150 ft below waterline in a tin mining area in the state of Selangor, West Malaysia. The ladder winch was designed by F. W. Payne and Son.

*

An offshore oil contract worth in the region of £250,000 has been won by Billingham-based ICI Physics and Radioisotope Services Group. For John Brown Offshore, the contract involves supply and operation of sub-sea nucleonic gauges which will monitor the density of grout in the pile sleeves surrounding the legs of Mobil's Beryl B platform.

WORLD STOCK MARKETS

Early irregularity on Wall St

A MIXED TREND developed in moderate trading on Wall Street yesterday, with issues in special situations showing the only significant price changes.

By 1 pm the Dow Jones Industrial Average was off 0.78 to 828.20, making a loss of 5.61 on the holiday shortened week, while the NYSE All Common Index, at $65.72, shed 6 cents on the day and 37 cents on the week. Trading volume dropped 14.9m shares to 34.97m, compared with 1 pm Thursday.

One analyst called the Money Supply figures "the newest fad in the market." Stocks have dropped sharply on four of the past six Mondays, in part due to disappointing Money Supply figures which sparked concern that interest rates would rise.

One of the biggest falls was recorded by Northwest Industries, off $5¾ to $66⅛—it recently completed an offer to buy back 5m of its shares for $75 each.

The volume leader was Masoniate, due to a block of 1,266,000 shares that traded at $23¼, up $2¼.

Warner Communications, down $¾ to $59¾ were also active—Mattel said it plans to offer video game cartridges which are compatible with Warner's Atari Players, a major profit centre for the company.

Datapoint fell $1¼ to $27¾ after opening late—it reported lower earnings Thursday. Other Computer stocks also weakened, with Digital Equipment off $1¼ to $87¼, Commodore $1½ to $46¾, and Hewlett-Packard $¾ to $42¾.

THE AMERICAN SE Market Value Index fell 0.95 to 270.06, making a fall of 4.94 on the week. Trading volume decreased 192,000 shares to 2.68m, compared with 1 pm Thursday.

Canada

Prices were mixed at mid-session, with the Toronto Composite The Gold Index rose 40.5 to 2,507.5. Metals and Minerals 5.1 to 1,597.4 and Banks 3.68 to 312.84. But Oil and Gas shed 1.5 to 2,808.3.

Turbo Resources, the parent firm of Bankeno, were off 30 cents at $2.40 in active trading—a hearing is being held by the Ontario Securities Commission into whether Bankeno's follow-up bid equal Turbo's original cash offer for Merland.

Macmillan Bloedel lost $¼ to $21¾ on sharply lower net earnings and a loss per share of 53 cents, compared to profit of $5.03.

Hong Kong

Stock prices continued upwards in moderate trade as the Hong Kong dollar strengthened and some of the gloom over interest rates subsided.

Brokers said that there is a growing feeling that interest rates have peaked, an attitude bolstered by the strength of the local currency.

Singapore

Good news from Hong Kong outweighed bad news from South-East Asia's biggest company to push share prices sharply higher. The Straits Times Industrial Index rose 13.01 to 753.01. On the week, the Index firmed 2.19 after the market last week put on the worst performance in ve months.

The local market was influenced by Hong Kong and some short covering in Malaysia.

The rise in the 30-stock Index came despite news from Sime Darby, the giant Malaysia-based plantation and trading group, of a 32 per cent drop in first-half year, after tax, earnings.

Tokyo

Share prices firmed with sentiment enlivened by the sharp yen recovery against the dollar, but trading continued erratic because uncertainty persists about U.S. interest rates and the future of the yen.

The Market Average rose 29.55 to 7,713.31 on light volume of 320m shares.

But Motors fell as the yen's rise might hamper exports.

Pioneer, however, moved up Y60 to Y1,540 despite its poor results which had put the share price under pressure for the past few days.

With attention in the afternoon focussed on Speculatives and "lower-priced" issues, Sumitomo Metal Mining further advanced Y44 to Y790.

Oils rose broadly on the yen's rise against the dollar.

Isuzu and Kyoto Ceramic each eased, despite reports on the broad outlines of their planned development of a ceramic diesel engine.

Toyo Kogyo gained ground on reports it will begin to supply U.S. Ford Motor with 20,000 of its MTX transaxials a month from early next month. The parts reportedly will be used for new 2,000 cc vehicles Ford will be introducing.

Oki Electric rose Y8 to Y395—it signed a contract to supply telex terminals to Cable and Wireless of the UK.

Toshiba firmed Y2 to Y373—it will boost its production of integrated circuits at its U.S. subsidiary by 30 per cent to 2m units a month from March.

Ohbayashi-Gumi stood out among generally firm Constructions—on a Press article discussing how the company is applying office computers and word processors to its operations.

Germany

Share prices rallied after a mixed opening, largely traceable to an unexpected influx of Foreign purchasing orders.

Engineerings were higher. Mannesmann put on DM 2.2 to 143.3 on higher sales in 1981 and profits also up.

In firm Steels, Thyssen gained DM 1 to 79.2 on a share of a large Indonesian order.

Machine Makers were also broadly higher with Deutsche Babcock up DM 4.5 to 208 on its recent dividend increase.

Milan

Prices firmed in busy trading. Pirelli Co. gained L105 to 2,515 on sharply higher profit for 1981.

Snia Viscosa put on further L13 to 74 on rumours of a capital increase.

Australia

The technical buying support seen Thursday disappeared as prices returned to the predominantly downward path of recent weeks.

BHP and CSR led the decline, which soon caught up Oil and Gas Explorers and also Engineering stocks.

Banking issues weakened on the uncertain movements of the Australian dollar.

Industrial disputes kept Retailers and Petroleum Refiners quiet.

Brewers and Foods recorded some gains and there was improvement in Property stocks and in Building Materials.

Despite bad news from the major Mines, topped off by CRA, whose profit fell from A$178m to a token A$12m in the half-year, buyers continued to prop stocks like Bougainville, Consolidated Rutile, MIM and North Broken Hill.

Energy Resources were firm on its maiden profit of A$7.7m, plus indications that the Jabiru Uranium plant was operating above its rated capacity.

A flow of 1,125 barrels of oil a day from the Strzelecki No 8 well in South Australia failed to affect participants' share prices. Vamgas eased 4 cents to A$3.70, Santos 8 cents to A$5 and Crusader 50 cents to A$4.80 from its previous trade on Tuesday.

Paris

Share prices tended mixed to higher in very active trading, with demand for the Compensation Rights of newly Nationalised companies giving an underlying stronger tone.

Of these, Cie Financiere de Suez rose Frs 2.90 to 427.90, Cie Financiere Paribas Frs 2 to 308, Saint Gobain Frs 1.20 to 176.20, CGE Frs 3.4 to 496.50, PUK Frs 1.20 to 125.70, Thomson Brandt Frs 1.90 to 310.10 and Rhone Poulenc Frs 1.9 to 122.30.

Closing Prices for North America were not available for this edition.

$145m loss for Volkswagen do Brasil

By Andrew Whitley in Rio de Janerio

VOLKSWAGEN DO BRASIL, the biggest vehicle manufacturer in South America, ended 1981 with net losses of U.S.$145m on a reduced turnover of $1.03bn.

The losses were 11 times greater than those suffered the previous year—the first time the normally highly profitable company had gone into the red—and three times the November estimate made public by Herr Wolfgang Sauer, chairman of the Brazilian subsidiary. Operating losses for the year totalled Cr 22bn ($175m).

While the problems of the Brazilian vehicle industry in 1981 are well known the size of VW do Brasil's deficit has come as a shock. The other major manufacturers established in Brazil—Fiat, General Motors and Ford—are also known to be heavily in the red, but have still to publish their end of year figures.

Volkswagen sales fell by nearly 45 per cent, above the industry average. One small consolation was an increase in exports to $370m.

Results published yesterday revealed the importance of the $100m cash injection given to the vehicle group late last year, through an increase in its capitalisation to Cr 28.7bn ($225m).

As with much of Brazilian industry, a key explanation for VW do Brasil's losses was the *high cost of financing* unusually large stocks. Outstanding debt tripled during 1981 to Cr 29.7bn ($234m) and financial payments during the year amounted to Cr 16bn ($126m).

In nominal terms, VW do Brasil's sales income increased by 60 per cent as a result of price rises designed to make up for several years of Government price control. But with inflation running at 95 per cent during 1981 the real result was a marked drop in revenue.

American Motors reduces annual deficit by 32%

BY IAN HARGREAVES IN NEW YORK

AMERICAN MOTORS, the U.S. car company controlled by Renault of France, cut its losses by 32 per cent in 1981, compared with 1980, but by the fourth quarter the company's performance had again started to deteriorate.

The company said it incurred a $47.2m net loss in the final quarter, compared with a loss of $29m in the corresponding quarter of 1980. Sales fell from $658m to $621m.

For all of 1981, AMC's loss was $136.6m down from $200.8m, on sales unchanged from $2.6bn in 1980. AMC's unit sales of cars and Jeeps were down 5 per cent to 311,369 on the year, although Jeep sales saw a welcome 6 per cent increase after a very difficult period in 1980.

Mr Paul tippett, who recently took over as chairman of the company said that the lower 1981 loss was evidence of the company's rigorous cost cutting, which he hoped would be taken a stage further by agreement with the United Autoworkers union for AMC employees to take a 10 per cent wage and benefit cut in order to invest the proceeds in the company.

The company said its efforts to reduce losses, which included a 13 per cent reduction in the salaried workforce, restriction on merit increases and hiring and elimination of all but essential expenditures" for new product programmes would have been more effective but for the "extremely sharp" industry sales decline in the fourth quarter.

The company said its international operations and its AM General subsidiary, which makes military and postal vehicles, had better operations in 1981.

Mr Tippett said AMC expect a slow improvement in U.S. car sales beginning this spring. Next month the company will introduce the Renault Fuego, a sporty model, and in June will start producing a Renault designed car in the U.S.

Narby receives 'a number of approaches' on Cast

BY ANDREW FISHER, SHIPPING CORRESPONDENT

MR FRANK NARBY said yesterday he had received "a number of serious approaches" on his $100m offer for sale of half his Cast North Atlantic container shipping business.

But the question of price had yet to be raised by the dozen or so interests involved, he said: "We are certainly not at the offer stage yet."

Eurocanadian in which Mr Narby controls more than 60 per cent of the shares, announced the proposed *sale* earlier this week as part of its efforts to secure funding for its new ship programme worth in excess of $400m.

After a shareholders meeting near Fribourg in Switzerland yesterday, he said: "All shareholders agreed that Eurocanadian should respond positively to these approaches and work towards a definite agreement."

This indicates that Canadian National Railways, with 18 per cent of the Bahamas-based Eurocanadian, is prepared to go along with other shareholders in seeking a solution to its cash problems.

Cast is also holding talks on the deferment of some $50m of progress payments on new vessels. A large part of the sums due on its new ships—mostly from South Korea—have to be paid this year at a time when shipping markets are at a low point.

Salomon fails to halt Phibro decline

By David Lascelles in New York

PHIBRO, the large New York trading company which recently acquired Salomon Brothers, the Wall Street investment firm, yesterday reported a sharp drop in earnings for both the final quarter and all of 1981.

It said the fall was caused by the impact of the world recession on its trading activities, which are handled by its Philipp Brothers division. Salomon Brothers, on the other hand, "made a strong initial contribution to profits in the fourth quarter." Phibro did not detail Salomon's performance, though a spokesman said its profits would be given in the company's annual report at the end of next month.

Before it was acquired by Phibro, Salomon was a privately held firm which guarded its financial secrets closely. However its profitability is a subject of intense curiosity on Wall Street.

Phibro's net earnings for 1981 were $289.3m, or $4.23 a share, down from $466.8m, or ($6.87) in 1980. Sales and revenues were up from $23.7bn to $25.1bn. In the final quarter Phibro's earnings were $81.7m, or $1.20 a share, down from $110.2m, or $1.62.

MacMillan Bloedel loss

BY ROBERT GIBBENS IN MONTREAL

ECONOMIC RECESSION and the collapse in North American housing starts brought an overall operating loss for MacMillan Bloedel, Canada's largest forest products group.

The company, now indirectly controlled by the Brascan holding company through Noranda Mines, reported an operating loss of C$26.7m (US$22m) against operating net income of C$113.2m, or C$3.03 a share.

After special items the year showed final net income of C$3.3m. Revenues were C$2.2bn against C$2.4bn.

The fourth quarter operating loss was C$9.8m against net income of C$5.7m, or 16 cents a share.

The principal factor in MacMillan's depressed 1981 performance was the drastic decline in North American housing starts.

Sharp fall in profit at Sime Darby

By Wong Sulong in Kuala Lumpur

SIME DARBY, Malaysia's largest listed company, suffered a 39 per cent drop in net profits for the half year ended December, to 41.4m ringgit (U.S.$17.8m), despite a 6.5 per cent increase in turnover to 1.33bn ringgit (U.S.$570m).

The main factors were a severe setback for its Tractors Malaysia subsidiary, the plunge into the red by its Western division and comparatively higher tax and minority shareholder interests.

Pre-tax profits fell by only 17 per cent to 102.9m ringgit from 141.3m ringgit a year earlier. Sime maintained the 4 cents a share gross interim dividend but hinted strongly that the final dividend would be cut unless its performance improved.

Tractors Malaysia reported that net earnings were halved to 13.9m ringgit from 26.8m ringgit a year earlier on sales 19 per cent lower at 292m ringgit. The company's most profitable business — selling tractors to timber companies —was hit by a prolonged recession in the logging industry.

The subsidiary was also disappointed that several major building contracts in Malaysia had been awarded to foreign construction companies which are bringing in their own equipment.

The Western division reported a pre-tax loss of 8.1m ringgit against a pre-tax profit of 1.6m ringgit. The division had incurred "substantial losses" in commodity trading and insurance broking. Sime as previously reported, is in the process of selling its insurance and money broking operations.

The division is being reorganised by Mr Jim Scott, Sime's joint chief executive, who was seconded to London last month.

Pre-tax profits of Sime's subsidiary Consolidated Plantations (Consplant) fell 4 per cent to 42.5m ringgit with a similar drop in net profits to 25.9m ringgit on sales ahead by 2 per cent to 120.2m ringgit.

Both Consplant and Tractors are maintaining their interim dividends at 7 cents and 10 cents a share respectively.

Amro lower as bad debts mount

BY OUR FINANCIAL STAFF

HIT BY bad debts, Amsterdam-Rotterdam Bank reports a modest decline in profits for 1981. It is holding its dividend at Fl5 a share.

Net profits have eased to Fl 263m ($101m) from Fl 276.3m in 1980, after a transfer to risk provision which has risen sharply to Fl 475m from Fl 285m.

Amro is the first of the big three Dutch commercial banks to report for 1981, but already it begins to look as though the latest results season is going to throw up some contrasting performances. Last month Algemene Bank Nederland forecast higher profits for 1981.

Amro was hit hard by bad debts during the latter half of the year. Having provided Fl 160m for risks in the opening half, the bank has been forced to top up by Fl 315m.

Total income was up by 11.1 per cent to Fl 2.74bn while total charges, including depreciation, advanced at a slower pace—7 per cent to Fl 1.86bn. This left a gross profit of Fl 885.2m, up 18.9 per cent.

Gross earnings rose more rapidly over the second half of the year as a result of measures taken by the bank to reduce costs.

The bank managed to expand its balance sheet by 18 per cent to Fl 109.6bn at the end of 1981.

UK provisions push Oce copier group into the red

BY OUR FINANCIAL STAFF

HEAVY provisions in the UK have pushed Oce-van der Grinten, the Dutch copier group, into the red and forced the company to halve its dividend.

Net losses for the year ended November, 1981 total Fl 7.9m ($3m) after a provision of Fl 38m against the cost of reorganising the UK subsidiary. The dividend is going down to Fl 4 a share from Fl 8.

Before provisions, net earnings were Fl 30.1m, compared with Fl 37.8m a year earlier. The setback occured despite a 14 per cent rise in operating profits to Fl 121.4m, which was achieved on sales higher by a similar percentage at Fl 1.64bn.

When unveiling sharply lower nine-month results last autumn, Oce estimated that its 1980-81 figures were likely to dip into the red.

With the exception of the UK operations, nearly all group divisions turned in satisfactory results. But in the UK, where in 1977 Oce acquired the Ozalid group, major reorganisation costs had to be met.

Last year interest costs increased by 50 per cent. The heavier financing charges resulted from the growth of Oce's rental business in copiers.

Hongkong Telephone profits up

BY OUR HONG KONG CORRESPONDENT

HONGKONG TELEPHONE has announced a 26 per cent increase in net profits for the year ended December to HK$272.1m, and a HK$5.5bn (U.S.$930m), six-year capital spending programme.

The company, in which Hong Kong Land took a 35 per cent stake in December, was only 12 per cent ahead after six months. The main boost to the second half was the increase in June in the company's share of the Colony's International telephone revenue from 15 per cent to 40 per cent.

Total dividend for the year was increased 21 per cent to HK$1.55 a share.

The utility's revenues rose by 30 per cent to HK$1.79bn.

Pelikan insolvent and seeks debt talks

By James Buchan in Bonn

PELIKAN, the West German group which is Europe's leading producer of office goods and stationery, is insolvent and has begun proceedings towards rescheduling its debts.

The surprise move followed large losses by the Hanover concern's information technology division in Hamburg.

The group, which employs some 12,000 worldwide and recorded sales of DM 1.6bn ($676m) in 1981, began proceedings on Thursday for a composition settlement—a *legal framework* for a rescheduling arrangement. The move was agreed at a meeting on Wednesday between Dr Kurt Hackel, the new Pelikan chief executive, and representatives of the company's creditor banks.

Pelikan said yesterday that it was confident bankruptcy could be averted. The concern's assets position was "positive" and the board has begun negotiations with the government of Lower Saxony, which covers Hanover, over a loan guarantee. None of the 100 odd creditor banks is believed to be in a major position of exposure.

"I am absolutely convinced that it will not come to bankruptcy," Dr Hackel said yesterday.

The Pelikan crisis is all the more surprising in that Dr Hackel took over as chief executive only five days ago. Dr Hackel, 55, resigned as chief executive of Grundig, the leading electronics concern, at the end of January.

According to the company, it had become clear that the information technology division would record losses of DM 80m in 1981 after losses of DM 40m the year before. The company is considering closing the Hamburg works with the loss of some 1,400 jobs.

Pelikan also experienced difficulties last year with its affiliates in the UK and Brazil.

COMMODITIES/REVIEW OF THE WEEK

Cash tin up again on support buying

BY OUR COMMODITIES STAFF

THE INFLUENTIAL tin buyer continued its activities in the market throughout the week dominating trading and posing a number of questions about trading prospects as cash prices climbed further above futures prices.

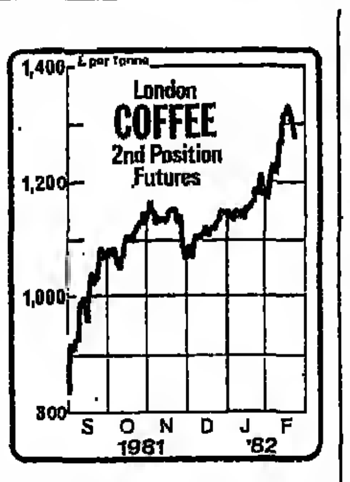
The crucial delivery dates for the London Metal Exchange will be February 24 to February 26, when quantities of tin sold forward towards the end of last year are due for delivery.

The London cash price lost £65 a tonne in yesterday's trading to close at £8,830 but gained £100 on the week. The three-months high grade price lost £52.50 yesterday and lost £57.50 during the week. It closed yesterday at £7,822.50 a tonne.

Tin lenders in the London market were reported to be making *freer offerings* yesterday and although the LME has set a limit of £120 a tonne per day premium for lending cash metal the premium yesterday did not exceed £70 a tonne per day.

The Straits tin price dropped 19 cents yesterday to 33.21 ringgit a kilo—towards the bottom of the International Tin Agreement middle range. The market was considered to be weak apart from the underpinning activities of the influential buyer.

The nickel market in London has had its ups and downs during the last week and closed last night £87.50 a tonne down on the week at £3,040 a tonne. The price stabilised after recent sharp losses.



Copper has traded in a narrow range all week and closed last night in London £2.75 a tonne down on the week at £865.25 for cash. The market seemed most influenced by pricing purchases to balance a period of general selling.

A joint subsidiary of British Petroleum and Brascan, the Canadian natural resources group, intends to invest U.S.$ 50m in Brazil during the next few years mining and prospecting for tin. The scheme was announced yesterday in Rio de Janeiro. Brazil is already one of the world's leading six tin producers but consumes almost all her production. The Brascan-BP operation will invest in the state of Rondonia and the north east Amazon.

The long-awaited London gold futures market is to open on April 19, it was announced this week. With markets already operating in the U.S., Australia, Hong Kong and Singapore the London opening will complete round-the-clock trading in gold futures. Prices will be quoted in sterling, a decision not popular with potential traders. Nevertheless the 38 dealing seats offered on the new markets at £55,000 a piece were oversubscribed.

The decline in natural rubber prices accelerated this week despite talk of direct action by producers to shore up the market. The RSS No. 1 spot quotation on the London physical market ended 4.25p down at 43p a kilo—the lowest level since April 1976.

In Malaysia Mr Gan Tech Yaw, a former president of the Rubber Producers' Council, said efforts to support prices through the International Rubber Agreement had failed because the agreement's buffer stock manager was barred from trading in futures. If the pact was not revised to suit their needs producers might as well "go it alone" and form their own price support organisation, he said.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1981-82 High	1981-82 Low
METALS					
Aluminium	£810/815	—	£810/815	£810/815	£760/70
Free Markets c.i.f.	$1065/1075	-50	$1460/490	$1500/1530	$1015/045
Antimony					
Free Market 99.6%	$2175/2275	-75	$5110/160	$5200/5260	$2175/275
Copper-Cash High Grade	£865.25	-2.75	£785.5	£1,025.5	£755
3 months Do. Do.	£895.75	-1.75	£808.25	£1,052.75	£777.5
Cash Cathodes	£862.5	-2.5	£782.5	£1,025	£748.5
3 months Do	£890.25	-2	£794.5	£1,046	£768.5
Gold per oz.	$367.5	-11.25	$507.5	$601	$367.5
Lead Cash	£330.5	+1.25	£309	£502	£273.75
3 months	£339.5	+0.25	£318.5	£499.5	£285.25
Nickel	£3771.7	—	£3,156	£4,219.60	£2,915
Free Market c.i.f. lb	255/285c	-5	285/305c	290/310c	225/275c
Platinum per oz.	£260	—	£202	£260	£202
Free Market per oz.	£190.70	-9	£215	£250.90	£185.60
Quicksilver (76lbs)	$395/405	+5	$390/400	$428/458	$350/360
Silver per oz	446.90p	-17.05	572.80p	671.80p	412.80p
3 months per oz.	461.90p	-17.05	590.55p	695.70p	427.00p
Tin cash	£8,830	+100	£5,875	£8,985	£5,700
3 months	£7,822.5	-32.5	£6,022.5	£8,657.5	£5,865.5
Tungsten Ind	$128.05	+2.51	$144.21	$149.08	$125.54
Wolfram (22.04 lb.)	$124/128	-2	$150/154	$151/155	$120/125
Zinc cash	£455	-17	£312.25	£553.5	£306.5
3 months	£439.5	-18.25	£332.75	£566.5	£318.25
Producers	$875/950	—	$825	$1000	$823
GRAINS					
Barley Futures	£109.95w	-0.55	£98.90	£111.80	£94.40
Maize French	£155.50z	—	‡	£154.50	£119.75
WHEAT Futures	£114.40w	-0.70	‡	£121.10	£89.10
Hard Winter Wheat	£115.50z	-1.25	£105.50	£124	£102.0
SPICES					
Cloves (g)	£5,400y	—	£4,300	£6,000	£2,800
Pepper, white	$1,975x	—	$2,000	$2,150	$1,850
black	$1,450x	—	$1,600	$1,650	$1,225
OILS					
Coconut (Philippines)	$527.5x	-7.5	$600	$640	$520
Groundnut 5%	‡	—	‡	‡	‡
Linseed, Crude	£430	—	£404	£460	£400
Palm Malayan	$527.52z	-7.5	$835	$646	$475
SEEDS					
Copra (Philippines)	$350	—	$410	$450	$355
Soyabeans (U.S.)	$855	-5	$311	$340	$246
OTHER COMMODITIES					
Cocoa Shipment§	£1,180	-79	£972	£1,416	£850
Cocoa Futures May	£1,144.5	-28	£886.5	£1,315	£788
Coffee Futures Mar.	£1,277	-40	£1028	£1,352.5	£733.5
Cotton Index	69.65c	-0.4	95.55c	101.15c	67.20c
Des Coconut.	£525	—	£640	£680	£525
Gas Oil Fut. Mar.	$275	-0.75	$219	$329	$265.75
Jute UJ ABW C grade	£225y	—	‡	£267	£219
Rubber kilo	43p	-4.25	56p	55.25	43p
Sago Pearl	£225y	—	£205	£252	£197
Sisal No. SL	$640/650x	—	$780	$780	$640
Sugar (Raw)	£175xu	-7	£257	£315	£148
Tapioca No. 1	£220y	—	£218	£255	£207
Tea (quality) kilo	125p	—	132p	140p	117p
(plain) kilo	‡	—	67p	67p	59p
Wooltops 64s Warp	577p kilo	-10	314p kilo	400p kilo	294p kilo

‡ Unquoted. (g) Madagascar. (u) April. (w) May (v) May-June (y) Mar-April. (x) Feb-Mar. (z) March. * Nominal. § Ghana cocoa.

MARKET REPORTS

BASE METALS

BASE METAL prices were little changed on the London Metal Exchange, with the exception of nickel, which touched a low of £3,040 before rallying to close at £3,055. Copper closed at £893, lead at £339.5, zinc at £438 and aluminium at £607. The backwardation on tin narrowed at one point to £50 as cash metal fell to £8,810, but reverted to the more normal £115 level at the close, with three months metal at £7,860.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
HighGrade				
Cash	864.5-5.5	-7.75	865-.5	-9.75
3 mths	891.5-2	+4.5	893.5-4	+2
Settlem't	865.5	-8	—	
Cathodes				
Cash	863-4	-8.5	862-3	-3.5
3 months	888.5-9.5	+6	890-.5	+3.25
Settlem't	864	-8	—	
U.S. Prod	—		*76.5-82	

Amalgamated Metal Trading reported that in the morning high grade cash copper traded at £863, 64, 65; three months £890, 89.5, 90, 90.5, 91, 91.5, 92. Standard Cathodes. Cash £862; three months £889. Kerb. Higher Grade, three months £891.5, 92. Afternoon: Higher Grade, Cash £865; three months £894.5, 94, 94.5, 92.5, 94. Kerb. Higher Grade: Three months £892.5, 93. Turnover: 21,600 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	8810-20	-75	8830-40	-65
3 months	7850-80	-50	7820-5	-52.5
Settlem't	8820	-75	—	
Standard				
Cash	8810-20	-75	8820-40	-65
3 months	7850-60	-40	7820-5	-52.5
Settlem't	8880	-75	—	
Straits E.	£553.81	-0.19	—	
New York	—			

Tin—Morning: Standard: £8,850, 20, 8,900, 10, 20; late-Feb £8,420; three months £7,850, 60, 50. Kerb. Standard Cash £8,820; late-Feb £8,400; three months £7,870. Afternoon: Standard Cash £8,840, 50, 20, three months £7,860, 50, 40, 50, 30, 20, 25, 20. Kerb Standard Three months £7,830, 40, 65, 70. Turnover: 4,310 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	330.5-1	-5.5	330-1	-1
3 months	340-1	+5.25	339.25-.75	-.75
Settlem't	331	-5.5	—	
U.S. Spot	—		*28	

Lead—Morning: Cash £330.5, 31; three months £338, 38.5, 39.5, 39, 40. Kerb: Cash £331, three months £340.5, 40, 39.5, 39, 39.5. Afternoon: Cash £330; three months £339.5, 40, 39.5, 39, 39.5, 40. Kerb: Three months £332, 38, 38.5, 38, 39.5. Turnover: 10,275 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	433-.5	-.25	434-6	-.5
3 months	458-.5	—	459-40	-1
S'ment	433.5	-.5	—	
Primw'ts	—		*42.75-3.75	

Zinc—Morning: Cash £434, 33.5; three months £438, 38.5, 38. Kerb: Three months £439, 38.5. Afternoon: Three months £439.5, 39, 39.5, 39. Kerb: Three months £438, 38.5, 39. Turnover: 8,700 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	582.5-3	-.75	585-6	-1
3 months	603-4	-.25	606-.5	-.5

Aluminium—Morning: Cash £582.5; three months £604, 03, 04, 03.5. Kerb: Three months £604. Afternoon: Three months £605.5, 06. Kerb: Three months £607, 06.5. Turnover: 5,050 tonnes.

Nickel—Morning: Three months £3,060, 65. Afternoon: Three months £3,070. Kerb: Three months £3,065, 61, 60, 50, 40, 45, 50. Turnover: 702 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	3025-45	-12.5	3055-45	-12.5
3 months	3065-70	-15	5065-70	-12

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

Silver was fixed 0.65p an ounce lower for spot delivery in the London bullion market yesterday at 446.9p. U.S. cent equivalents of the fixing levels were: spot 829c, up 5.7c; three month 859.2c, up 0.5c; six month 890.2c up 1.5c; and 12 month 953.5c, down 1c. The metal opened at 443-447p (823-828c) and closed at 446-450p (828-833c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unofficial	+ or —
Spot	446.90p	-0.65	444.5p	-4.0
3 months	461.90p	-0.65	459.85p	-3.9
6 months	477.20p	-1.05	—	
12 months	509.30p	-1.10	—	

LME—Turnover: 31 (148) lots of 10,000 ozs. Morning: Three months 461, 61.5. Kerb: Three months 461.5, 61, 61.5. Afternoon: Three months 462.5, 62.8, 60.5, 59.7, 60. Kerb: Three months 460, 60.5.

COCOA

Futures remained weak as further trade and commission house selling depressed prices in thin trading conditions. Actuals business remained scarce, reports Gill and Duffus.

COCOA	Yest'rday's Close	+ or —	Business Done
March	1182-85	-5.0	1189-77
May	1144-45	-15.0	1158-41
July	1168-65	-9.0	1170-58
Sept	1175-74	-11.0	1180-69
Dec	1190-91	-6.0	1196-88
March	1207-10	-3.0	1215-07
May	1216-19	-1.0	1222

Sales: 1,391 (3,139) lots of 10 tonnes.

ICCO—Daily price for Feb 18: 94.34 (95.15). Indicator price for Feb 22: 94.95 (95.14).

COFFEE

Long liquidation continued the recent decline from the contract highs, reports Drexel Burnham Lambert. Dealer and chartist selling followed a lower "C" opening before the market found fresh support.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1562-64	-26.5	1580-60
May	1276-78	-52.0	1295-74
July	1257-38	-24.0	1250-32
Sept	1217-18	-22.0	1253-17
Nov	1180-00	-19.5	1205-00
January	1175-00	-27.5	—
March	1160-00	-24.5	—

Sales: 4,526 (4,365) lots of 5 tonnes. ICO Indicator prices for February 18 (U.S. cents per pound): Comp. daily 1979 137.80 (138.39); 15-day average 133.37 (132.65).

GAS OIL FUTURES

The market opened at the lows and steadied on nervousness about the strength of prompt physical prices and stronger European currencies. Saudi rumours and book-squaring kept prices strong, reports Premier Man.

Month	Yesterday's close	+ or —	Business Done
	$ U.S. per tonne		
February	285.00	+5.00	285.00-81.50
March	275.00	-1.50	275.00-71.00
April	268.25	-1.75	267.25-65.75
May	264.00	-1.00	265.00-63.00
June	264.00	-1.00	264.50-63.00
July	265.00	-1.00	265.00
August	273.00	-2.00	273.00
Sept	273.25	-2.25	273.25-73.00
Oct	278.50	-1.25	—

Turnover: 1,539 (1,225) lots of 100 tonnes.

GRAINS

The market opened slightly lower. No wheat restitution and long liquidation in barley eased old crops. New crops wheat recovered from the opening while barley remained weak, Acli reports.

Mnth	WHEAT Yest'rday's close	+ or —	BARLEY Yest'rday's close	+ or —
Mar	110.60	-0.35	106.50	-0.50
May	114.40	-0.15	109.95	-0.50
July	118.00	-0.15	—	—
Sept	107.00	+0.10	102.50	-0.10
Nov	110.40	+0.10	106.10	-0.10
Jan	114.40	[illegible]	110.15	[illegible]

Business done—Wheat: Mar 110.85-110.50, May 114.40-114.30, July 118.05-117.90, Sept 107.00-106.80, Nov 110.45-110.40, Jan 114.30-114.30. Sales: 304 lots of 100 tonnes. Barley: Mar 107.00-106.45, May 110.10-109.95, Sept 102.50-102.40, Nov 106.30 only, Jan 110.15 only. Sales: 278 lots of 100 tonnes.

HGCA—Locational ex-farm spot prices. [illegible]

LONDON GRAINS—Wheat: [illegible]

RUBBER

The London physical market opened a little lower, was steadied by some interest in the nutures market throughout the day but closed uncertain. Lewis and Peat recorded a March fob price for No. 1 RSS in Kuala Lumpur of 200.0 (201.5) cents a kg and SMR 20 179.5 (same).

No. 1 R.S.S.	Yest'r'ys close	Previous close	Business Done
[illegible]			

Sales: [illegible]

Physical closing prices (buyers) were: Spot 43.00p (43.50p); March 48.00p (same); April 48.00p (same).

SOYABEAN MEAL

SOYABEAN MEAL—The market opened around £1 lower on light trade selling, reports T. G. Roddick, and remained depressed.

	Yesterday's close	+ or —	Business Done
	£ per tonne		
February	[illegible]		
April	[illegible]		
June	[illegible]		
August	[illegible]		
October	[illegible]		
Dec	[illegible]		
Feb	[illegible]		

Sales: 85 (128) lots of 10 tonnes.

POTATOES

LONDON POTATO FUTURES—The market was nervous on profit-taking until firmness strengthened prices, reports Coley and Harper. Closing prices: April 139.00, -1.20 (high 139.50, low 138.00); Nov 86.50, -2.40 (high 86.80, low 86.50); Feb 76.50, -0.30 (76.50 only). Turnover: 881 (948) lots of 40 tonnes.

GRIMSBY FISH—Supply moderate, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £3.50-£4.50, codlings £2.00-£3.50; large plaice £4.00, medium £3.40-£3.70, best small £2.80-£3.30; rockfish £3.40.

AMERICAN MARKETS

NEW YORK, February 19.

PRECIOUS METALS and copper continued under pressure from technical selling. Commission house liquidation in anticipation of a build-up in warehouse coffee stocks touched off a major sell-off. Grains and soyabeans were [illegible]

[illegible]

Thursday's closing prices

[illegible]

INDICES

FINANCIAL TIMES

Feb. 18	Feb. 17	M'nth ago	Year ago
246.82	247.84	250.90	259.00

(Base: July 1, 1952=100)

DOW JONES

Dow Jones	Feb. 18	Feb. 17	Month ago	Year ago
Spot	127.77	128.78	126.66	—
Futrs	135.48	136.90	133.51	—

(Base: December 31 1974=100)

MOODY'S

Feb. 18	Feb. 17	M'nth ago	Year ago
1010.3	1019.0	1008.9	1133.4

(December 31, 1931=100)

REUTERS

Feb. 19	Feb. 18	M'nth ago	Year ago
1609.5	1615.7	1621.1	1711.0

(Base: September 18, 1931=100)

SUGAR

LONDON DAILY PRICE—Raw sugar £175.00 (£175.00) a tonne cif Feb-March shipment. White sugar daily price £182.00 (£183.00).

[illegible]

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—[illegible]

SYDNEY GREASY WOOL—[illegible]

هدكامن الأول

Stock Exchange dealings

The list below, restricted mainly to equities and convertible stocks, has been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. It shows prices at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman checking system.

The prices are not in order of execution, but in ascending order which denotes the day's highest and lowest dealing price.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business done during the previous four business days is given with relevant dates appended. The number of bargains done on Thursday in each section is shown against the respective sub-headings. Unless otherwise indicated the shares are 25p fully-paid.

: Bargains at special prices. △ Bargains done with a non-member or executed in overseas market. ⊙ Bargains done previous day. $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BANKS, DISCOUNT (677)

BREWERIES (372)

COMMERCIAL (7,464)

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

FINANCIAL TRUSTS (269)

INSURANCE (388)

INVESTMENT TRUSTS (419)

UNIT TRUSTS (12)

MINES—Miscellaneous (289)

MINES—South African (221)

OIL (750)

PROPERTY (359)

Private and public funds combine to create jobs

BY ROBIN PAULEY

AN AGREEMENT between Hampshire County Council and an industrial conversion company is oneof the first big moves in England to create jobs by linking private sector and local authority finances.

The project will provide 300 jobs and enable small companies to start up in 65 industrial workshop units without the usual heavy overheads. The Conservative-controlled county council is providing the capital to buy a site at Portsmouth. Regeneration, a private company, will invest £600,000 in converting the Victory House offices and warehouses into the new workshops, and in refurbishing them.

The units will be in a range of sizes from 240 sq ft. The county council and Regeneration will be responsible for the conversion, letting and management of the workshops.

LONDON TRADED OPTIONS

Feb. 19 Total Contracts 1444. Calls 1054. Puts 590.

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP (c)	280	19	—	30	30	42	—	292p
BP (c)	330	2	70	10	4	19	—	"
CU (c)	140	7	2	15	—	19	—	152p
Cons. Gld (c)	420	54	1	72	—	84	—	452p
Cons. Gld (c)	460	24	2	42	—	52	1	"
Cons. Gld (c)	500	15	—	24	4	92	—	"
Cons. Gld (p)	420	7	1	17	—	24	—	"
Ctlds. (c)	80	9½	9	8½	—	11½	—	78p
GEC (c)	850	25	2	82	—	72	—	834p
GEC (p)	800	14	1	20	—	28	—	"
Gr'd Met. (c)	200	9	80	18	10	82	—	198p
Gr'd Met. (p)	180	9	—	8	10	9	1	"
ICI (c)	260	80	1	88	—	—	—	338p
ICI (c)	300	40	59	48	—	56	—	"
ICI (c)	330	21	8	30	—	36	19	"
ICI (c)	360	8	3	16	—	24	—	"
ICI (p)	330	13	10	21	—	30	—	"
ICI (p)	560	34	90	40	—	44	—	"
Land Sec. (c)	330	9	78	13	90	20	—	300p
Mks & Sp. (c)	100	45	50	47	—	—	—	140p
Mks & Sp. (c)	150	19	30	17½	—	24	29	"
Mks. & Sp. (c)	140	7½	—	11	—	19	50	"
Mks & Sp. (c)	160	2½	17	5	60	7	—	"
Shell (c)	360	18	6	29	—	38	—	360p
		February		**May**		**August**		
Barclays (c)	390	05	9	97	—	—	—	471p
Barclays (c)	420	65	—	67	—	83	3	"
Barclays (c)	460	25	39	39	9	63	—	"
Barclays (c)	500	3	—	14	11	33	—	"
Barclays (p)	460	2	—	13	—	18	1	"
Barclays (p)	500	20	—	93	1	37	8	"
Imperial (c)	70	15½	18	19	46	19	81	84p
Imperial (c)	80	4	—	7½	40	11½	3	"
Imperial (c)	90	½	—	4	4	6	9	"
Imperial (p)	80	¾	100	2½	—	9½	—	"
Lasmo (c)	360	1	—	12	—	22	6	309p
Lasmo (c)	590	¾	—	18	10	15	3	"
Lasmo (c)	430	½	10	6	5	12	—	"
Lasmo (c)	460	¼	10	5	—	10	—	"
Lasmo (c)	900	¼	—	4	10	—	—	"
Lasmo (c)	550	¼	—	3	5	—	—	"
Lonrho (c)	70	7	—	12	10	14	—	78p
Lonrho (c)	80	¾	4	5½	4	7	18	"
Lonrho (c)	90	¼	—	2½	99	3½	—	"
Lonrho (c)	100	¼	30	—	—	—	—	"
Lonrho (p)	70	¾	—	3	—	5	2	"
Lonrho (p)	80	5	30	8	12	9	7	"
P & O (c)	120	14	—	20	—	28	1	133p
P & O (c)	130	6	9	12	—	12	—	"
P & O (c)	140	1	—	7	1	13	—	"
Racal (c)	360	10	—	28	4	43	—	365p
Racal (c)	390	¾	85	15	—	28	—	"
Racal (p)	360	3	28	14	38	20	—	"
Racal (p)	390	28	14	38	56	97	—	"
Racal (p)	420	97	4	90	—	65	—	"
RTZ (c)	460	4	1	27	10	42	—	442p
RTZ (p)	420	4	—	13	3	20	—	"
RTZ (p)	460	23	20	30	8	34	—	"
RTZ (p)	500	62	12	70	—	70	—	"
Vaal Rfs. (c)	55	8	—	6¼	—	9½	8	$57
Vaal Rfs. (c)	60	1	—	3¾	1	5½	9	"

C=Call p=Put

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051-548 6555)	14⅞	½-year	1,000	4-8
Rochford (0702 546366)	14¼	½-year	500	2-5

PLANTATIONS (40)

[illegible]

RAILWAYS (6)

[illegible]

SHIPPING (85)

[illegible]

UTILITIES (21)

[illegible]

UNLISTED SECURITIES MARKET (181)

[illegible]

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

[illegible]

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

[illegible]

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

[illegible]

(By permission of the Stock Exchange Council)

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS FUNDS

[illegible]

MONEY MARKETS

London clearing bank base lending rate 14 per cent (since January 25)

Day-to-day credit was again in short supply in the London money market yesterday and the Bank of England gave a forecast of a shortage of around £450m. Factors affecting the market included bills maturing in official hands and a net take up of Treasury bill —£198m, Exchequer transactions —£125m and a rise in the note circulation of £150m. The Exchequer transactions figure also reflected further applications for the Amersham issue.

The Bank gave assistance in the morning of £205m comprising purchases of eligible bank bills. These were split into £4m in band 1 (up to 14 days) at 13⅞ per cent, £134m in band 2 (15-33 days) at 13 13/16 per cent, £58m in band 3 (34-63 days) at 13¾ per cent and £2m in band 4 (64-84 days) at 13¾ per cent. It also bought £7m of Treasury bills in band 1 at 13⅞ per cent. Further assistance was given in the afternoon of £228m making a grand total of £433m. The afternoon help was made up of purchases of £25m of Treasury bills in band 1 at 13⅞ per cent and £21m of eligible bank bills in band 1 at 13⅞ per cent, £65m in band 2 at 13 13/16 per cent, £35m in band 3 at 13¾ per cent and £32m in band 4 at 13¾ per cent.

Period rates were generally lower, reflecting a softer trend in U.S. rates. In the interbank market weekend money opened at 14¾-14¼ per cent and rose to a peak of 15½-15¾ per cent before settling back to 14-14½ per cent mid-afternoon. Closing balances were taken at 15½ per cent however.

EXCHANGES AND BULLION

The dollar continued to lose ground in currency markets yesterday as U.S. interest rates showed a further decline. However, it finished close to its best level of the day, although still down from Thursday's close in London. Trading was restricted to some extent ahead of U.S. money supply figures, due for release after the end of business in London. Against the D-mark the dollar closed at DM 2.3645, up from a low of DM 2.3550 but down from the previous close of DM 2.3675. Similarly against the Swiss franc it touched a low of SwFr 1.8770 but recovered to SwFr 1.8850 from SwFr 1.8950 previously. The dollar was also down against the Japanese yen at Y233.25 from Y235.25.

On Bank of England figures, the dollar's trade-weighted index fell from 112.7 to 111.9.

Sterling's index was also lower, closing at 91.6 compared with 91.7 on Thursday, and having been set at 91.7 at noon and 91.6 in the morning. Sterling tended to trade within a fairly narrow spread of $1.8500-1.8615 after opening at $1.8575. It closed at $1.8530-1.8550, the wide spread reflecting the thin trading conditions, a rise of 20 points from Thursday. Against the D-mark it was unchanged at DM 4.3850 but eased against the Swiss franc to SwFr 3.4950 from SwFr 3.5100. It was firmer against the French franc, however, at FFr 11.1525 from FFr 11.1500.

Gold fell $2½ an ounce in the bullion market to close at $367-368, its lowest closing level since September 1979. Reports of further gold sales by the USSR depressed the metal and there was little reaction to the softer tendency in U.S. interest rates.

THE POUND SPOT AND FORWARD

Feb 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.8500-1.8615	1.8530-1.8550	0.15-0.25c dis	−1.29	0.60-0.70dis	−1.40
Canada	2.2490-2.2590	2.2525-2.2545	par-0.10c dis	−0.27	0.40-0.55dis	−0.84
Nethlnd.	4.79-4.83	4.80½-4.81½	1⅝-1⅜c pm	3.43	5-4½ pm	3.95
Belgium	74.50-75.00	74.80-74.90	38-58c dis	−7.66	95-125 dis	−5.88
Denmark	14.35-14.39	14.37-14.38	½-1⅞ore dis	−0.52	4-5⅞ dis	−1.34
Ireland	1.2420-1.2485	1.2430-1.2450	0.35-0.47p dis	−3.95	1.12-1.32dis	−3.92
W. Ger.	4.38½-4.40½	4.38-4.39	1⅝-1⅜pf pm	4.10	4½-4 pm	3.88
Portugal	126.50-127.50	126.70-127.00	40-160c dis	−9.46	135-395 dis	−8.36
Spain	186.40-187.70	187.00-187.20	15-35c dis	−1.60	55-85 dis	−1.50
Italy	2,337-2,347	2,337½-2,339½	11½-14½ lire dis	−6.87	39-42 dis	−6.93
Norway	10.99-11.05	11.00½-11.01½	2⅝-1⅝ore pm	2.32	2½-1½ pm	0.73
France	11.11-11.17	11.14¾-11.15¾	⅛c pm-⅝ dis	−0.13	2¾-3¾ dis	−0.99
Sweden	10.63-10.71	10.64½-10.65½	par-¾ore dis	−0.42	1¾-1 pm	0.52
Japan	430-437	432-433	2.85-2.55y pm	7.49	8.45-8.05 pm	7.63
Austria	30.70-30.86	30.75-30.80	15-12gro pm	5.26	42-35 pm	5.00
Switz.	3.47-3.52	3.49-3.50	1⅞-1⅝c pm	5.58	5⅛-4⅞ pm	5.86

Belgian rate is for convertible francs. Financial franc 82.40-82.50. Six-month forward dollar 1.05-1.15c dis. 12-month 1.70-1.50c dis.

GOLD

	Feb. 19		Feb. 18	
Gold Bullion (fine ounce)				
Close	$367-368	(£198-198½)	$369¼-370¼	(£200½-201)
Opening	$367½-368½	(£198¼-198¾)	$374¼-375¼	(£203¼-203¾)
Morning fixing	$368.75	(£198.798)	$367.50	(£198.571)
Afternoon fixing	$368.25	(£198.949)	$369.25	(£200.570)
Gold Coins				
Krugerrand	$378-379	(£204-204½)	$381-382	(£206½-207)
1/2 Krugerrand	$194½-195½	(£105-105½)	$196-199	(£107¼-107¾)
1/4 Krugerrand	$99-100	(£53½-54)	$101-102	(£54¾-55¼)
1/10 Krugerrand	$40½-41½	(£21¾-22¼)	$40-41	(£21¾-22¼)
Mapleleaf	$378½-379½	(£204¼-204¾)	$382-383	(£207-207½)
New Sovereigns	$89½-90½	(£48½-48¾)	$90½-91	(£48-48½)
King Sovereigns	$106-107	(£57½-57¾)	$106-107	(£57½-58)
Victoria Sovs.	$106-107	(£57½-57¾)	$106-108	(£57½-58)
French 20s	$86-98	(£47½-53)	$88-98	(£47½-53)
50 pesos Mexico	$455-458	(£245½-247½)	$458-460	(£248-249½)
100 Cor. Austria	$357-360	(£192¾-194½)	$359-362	(£194½-196)
$20 Eagles	$501-506	(£270½-273)	$502-507	(£272-274½)

EXCHANGE CROSS RATES

Feb. 19	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.854	4.385	432.5	11.153	3.495	4.810	2330.	2.254	74.85
U.S. Dollar	0.539	1.	2.365	233.3	6.010	1.886	2.594	1261.	1.215	40.37
Deutschemark	0.228	0.423	1.	98.63	2.543	0.797	1.097	533.3	0.514	17.07
Japanese Yen 1,000	2.312	4.287	10.14	1000.	25.79	8.081	11.12	5407.	5.210	173.1
French Franc 10	0.897	1.662	3.932	387.8	10.	3.134	4.313	2097.	2.021	67.11
Swiss Franc	0.286	0.530	1.255	123.7	3.191	1.	1.376	669.1	0.645	21.42
Dutch Guilder	0.208	0.386	0.912	89.92	2.319	0.727	1.	486.2	0.469	15.56
Italian Lira 1,000	0.428	0.793	1.875	184.9	4.760	1.495	2.057	1000.	0.964	32.01
Canadian Dollar	0.444	0.823	1.946	191.9	4.949	1.551	2.134	1038.	1.	33.21
Belgian Franc 100	1.336	2.477	5.858	577.8	14.90	4.669	6.426	3124.	3.011	100.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Feb. 19	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	14¼-14½	14⅛-14¼	10-11	10-10⅛	2-2½	9⅛-9⅝	14-14⅛	16-20	14-16	4⅛-5⅛
7 days' notice	14⅜-14⅝	14⅞-15⅛	10-11	10-10⅛	14¼-14½	[illegible]	14-14⅛	19½-21¼	16-20	5⅞-5⅝
Month	14⅜-14⅝	15¼-15½	14½-15	10-10⅛	7½-7⅝	[illegible]	14-14⅛	20⅝-21⅛	20-21½	[illegible]
Three months	14⅜-14⅝	15⅝-16⅛	15⅛-15⅜	10⅛-10¼	8⅛-8¼	[illegible]	15-15⅛	21-21⅛	19¼-20¼	6⅛-6⅜
Six months	14⅜-14⅝	15⅝-16¼	15⅝-16	10⅛-10¼	8⅛-8¼	10⅛-10¼	16-16⅛	21⅛-22	18¼-19¼	[illegible]
One Year	14⅜-14⅝	15⅝-16¼	16-16⅛	10⅛-10⅜	8¼-8⅜	[illegible]	16⅛-17	22-22¼	18-19	6⅞-7

SDR linked deposits: one month 13¼-12¾ per cent; three months 13⅝-12¾ per cent; six months 13½-13⅞ per cent, one year 13½-13⅞ per cent.

ECU linked deposits: one month 13⅛-13⅝ per cent; three months 13⅝-13¾ per cent; six months 13¾-14⅛ per cent; one year 13⅞-14¼ per cent.

Asian $ (closing rates in Singapore): one month 15 11/16-15 13/16 per cent; three months 15 13/16-15 15/16 per cent; six months 15 11/16-15 13/16 per cent; one year 15⅝-15⅞ per cent. Long-term Eurodollar two years 15¾-16 per cent; three years 15⅞-16 per cent; four years 15⅞-16⅛ per cent, five years 15⅞-16⅛ per cent nominal closing rates.

The following rates were quoted for London dollar certificates of deposit: one month 15.00-15.10 per cent; three months 15.15-15.25 per cent; six months 16.30-16.40 per cent; one year 16.30-16.40 per cent.

FT LONDON INTERBANK FIXING (11.00 a.m. FEBRUARY 19)

3 months U.S. dollars		6 months U.S. dollars	
bid 15 11/16	offer 15 13/16	bid 15 11/16	offer 15 13/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

Feb. 19 1982	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	14-15½	14¼-14⅝	—	—	14⅛-14⅝	13½-14¼	—	—	—
2 days notice	—	—	14¼-14⅝	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	14⅜-14⅝	14½	—	—	14¼-14½	14-14½	—	—	—
One month	14½-14⅝	14⅜-14⅝	14⅝	14⅞-14⅝	14⅜	14⅜	14	13⅞-13⅞	13⅞-13⅞	14⅜
Two months	14½-14⅝	14⅜-14⅝	—	14⅞-14⅝	14½	16⅜	13⅞-13⅞	13⅞	13¾	14⅜
Three months	14⅜-14⅝	14⅜-14⅝	14⅝	14⅜-14⅝	14⅝	14⅝	13⅝-13⅞	13⅝	13⅝	14⅝
Six months	14⅜-14⅝	14⅜-14⅝	14⅝	13⅞-13⅝	14⅝	—	—	—	13⅝	14
Nine months	14⅜-14⅝	14⅜-14⅝	—	14⅝-14⅝	14⅝	—	—	—	—	—
One year	14⅜-14⅝	14⅜-14⅝	14⅝	14⅛-14¼	14⅝	—	—	—	—	—
Two years	—	—	14⅝	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 14⅛ per cent; four years 15 per cent; five years 15⅛ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13¾ per cent; four months trade bills 14⅜ per cent.

Approximate selling rate for one month Treasury bills 13⅝-13 13/16 per cent; two months 13 11/16-13 25/32 per cent; three months 13½-13 9/16 per cent. Approximate selling rate for one month bank bills 13 11/16 per cent; two months 13⅝ per cent and three months 13⅝ per cent; one month trade bills 14½ per cent; two months 14⅜ per cent; three months 14⅜ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 15½ per cent from February 1 1982. Clearing Bank Deposit Rates for sums at seven days' notice 11¾-12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 13.6121 per cent.

Certificates of Tax Deposits (Series 5) 14¾ per cent from February 16. Deposits withdrawn for cash 11 per cent.

CURRENCY MOVEMENTS

Feb. 19	Bank of England Index	Morgan Guaranty Changes%
Sterling	91.6	−32.3
U.S. dollar	111.0	+4.7
Canadian dollar	87.9	−17.7
Austrian schilling	115.9	+24.0
Belgian franc	104.0	+7.1
Danish kroner	85.5	−11.9
Deutsche mark	120.9	+43.0
Swiss franc	152.6	+104.4
Guilder	113.7	+16.3
French franc	79.4	−15.2
Lira	55.1	−67.7
Yen	139.7	+53.5

Based on trade weighted changes from Washington agreement December, 1971. Bank of England index (base average 1975=100).

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 19	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7572	41.7330	+2.39	+1.21	±1.5368
Danish Krone	7.91117	8.03970	+1.62	+0.44	±1.6412
German D-Mark	2.40989	2.45047	+1.68	+0.50	±1.1077
French Franc	6.17443	6.22268	+0.78	−0.40	±1.3733
Dutch Guilder	2.66382	2.68573	+0.82	−0.36	±1.5063
Irish Punt	0.684452	0.695828	+1.66	+0.48	±1.6688
Italian Lira	1300.67	1308.04	+0.57	+0.24	±4.1229

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

Sterling/ECU rate for February 19 .... 0.558278

OTHER CURRENCIES

Feb. 19	£	$		£ Note Rates
Argentina Peso	18,886-18,906†	10,000-10,050†	Austria	30.60-31.90
Australia Dollar	1.7120-1.7140	0.9240-0.9245	Belgium	82.60-83.60
Brazil Cruzeiro	257.14-258.14	138.36-139.05	Denmark	14.60-14.44
Finland Markka	8.311-8.325	4.4900-4.4920	France	11.09-11.10
Greek Drachma	110.914-114.316	60.70-60.90	Germany	4.36½-4.40½
Hong Kong Dollar	10.896-10.916	5.8870-5.8920	Italy	2320-2375
Iran Rial	149.80*	81.60*	Japan	432-437
Kuwait Dinar (KD)	0.524-0.530	0.2845-0.2847	Netherlands	4.78½-4.82½
Luxembourg Fr.	74.80-74.90	40.35-40.40	Norway	10.98-11.08
Malaysia Dollar	4.2720-4.2820	2.3080-2.3110	Portugal	123½-131
New Zealand Dlr.	2.3345-2.3385	1.2600-1.2610	Spain	185¼-193
Saudi Arab. Riyal	6.31-6.37	3.4195-3.4215	Sweden	10.64-10.74
Singapore Dollar	3.8926-3.9025	2.1030-2.1050	Switzerland	3.47¼-3.51¼
Sth. African Rand	1.8105-1.8125	0.9765-0.9775	United States	1.84½-1.86½
U.A.E. Dirham	6.78-6.84	3.6715-3.6735	Yugoslavia	94.00

† Now one rate. * Selling rate.

U.K. CONVERTIBLE STOCKS 20/2/82

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates♦	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Div.○	Cheap(+) Dear(−)○ Current
British Land 12pc Cv. 2002	9.60	297.50	333.3	80-97	4.1	1.3	0.3	−6 to 4	31.2	38.2	19.3	+18.5
Hanson Trust 6½pc Cv. 88-93	3.02	168.50	114.5	76-83	4.0	—	−4.8	−54 to −1	8.3	6.3	−1.2	+3.6
Hanson Trust 9½pc Cv. 01-06	43.82	119.00	71.4	85-01	8.5	8.3	8.9	2 to 10	33.9	77.4	−5.9	−14.8
Slough Estates 10pc Cv. 87-90	5.31	235.50	187.5	78-85	4.3	—	−5.6	−8 to −2	27.0	23.1	−0.8	+4.8
Slough Estates 8pc Cv. 91-94	24.88	110.00	78.0	80-91	7.3	6.7	8.0	3 to 10	28.6	44.6	15.3	+9.3

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ○ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ○ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ♦ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

Gilt-edged strength continues and authorities sell tap stock in quantity—Equity leaders overshadowed

Account Dealing Dates

Option

*First Dealings	Declara-tions	Last Dealings	Account Day
Jan 25	Feb 11	Feb 12	Feb 22
Feb 15	Feb 25	Feb 26	Mar 8
Mar 1	Mar 11	Mar 12	Mar 22

* "New time" dealings may take place from 9.30 am two business days earlier.

Gilt-edged set a strong pace again yesterday, generally at the expense of other London stock market areas, as domestic and overseas investors committed further sizable funds to a sector still offering yields in excess of 15 per cent. Such was the demand that the authorities sold supplies of the £20-paid short tap stock, Exchequer 13¼ per cent 1987 A, at 20½ and 20¾, with a bid of 20⅞ being received too late for execution.

The Government broker also supplied the low-coupon specialist issue, Treasury 3 per cent 1987, at 64¾, before withdrawing. These official sales restrained the shorts but the untapped longer end of the market surged higher with selected stocks scoring gains of up to 1⅞. Trade, which has recently been relatively thin, increased noticeably and bouts of profit-taking were easily absorbed.

President Reagan's promise of a crackdown on U.S. public spending went some way to dispel worries about rising U.S. interest rates, but the main incentive for Gilt-edged buyers was the continuing European initiative for cheaper money and lower rates of inflation. Measuring the overall strength, which continued after-hours in the absence of new official funding, the FT Government Securities index rose 0.64 for a rise on the week of 1.15 to 66.19, its highest for eight months.

The counter-attraction of Gilts was too much for equity markets suffering again from a shortage of investment funds through the massive over-subscription for Amersham, details of which were awaited. ICI remained cautious ahead of Thursday's preliminary statement and closed slightly easier at 336p. Other equity leaders were a touch cheaper for most of the session before hardening after the official close. The FT Industrial Ordinary share index began two points down but slowly picked up to close virtually unaltered on the day, but 8.2 lower on the week, at 562.3.

Lloyds Bank pleases

Lloyds got the clearing bank dividend season off to a promising start, annual profits up by around a third and the increased dividend being at the top end of market estimates; already firm at 480p awaiting the statement, the shares improved further to close 16 up at the day's best of 486p. NatWest, the next to report on Tuesday, rose 13 in sympathy to 466p, while Barclays ended a similar amount dearer at 486p. Midland at 338p, retrieved 5 of the previous day's Press-induced fall of 7. A dull market since the poor preliminary results were announced on Wednesday, Gillett Bros. rallied 12 to 155p —but still sustained a fall of 20 on the week. Wintrust continued firmly at 163p, up 6, but Guinness Peat relinquished a couple of pence at 68p.

Further liquidation of speculative positions in the absence of bid developments saw Eagle Star touch 372p before finishing only a net 2 cheaper on balance at 376p. Ahead of Tuesday's preliminary results, Commercial Union lost the turn to 132p, while General Accident softened 4 to 312p and Sun Alliance 10 to 900p.

Trading conditions in the Brewery sector remained quiet. Occasional movements included Davenports, up 3 more at 138p, and Greene King, which improved 2 further to 296p.

After the previous day's drop of 18 on concern about the company's Mexican interests following the depreciation of the peso, Blue Circle reacted afresh to 490p before steadying up to close just 2 cheaper on balance but 28 down on the week at 496p. Other leading Buildings ended on a quietly firm note, Redland and BPB Industries hardening a couple of pence apiece to 183p and 368p respectively. Elsewhere, further demand in a thin market lifted Crouch Group 8 for a gain on the week of 18 to 118p, while John Laing added 3 to 77p. On the other hand, Burnett and Hallamshire shed 40 to 860p on concern about the company's stake in Raod London Coal, which has been a depressed market lately.

Business in ICI was down to a trickle and the shares fluctuated narrowly before closing 2 cheaper on balance at 336p for a fall on the week of 10: the preliminary results are due next Thursday. Laporte found support and improved 3 to 144p, while Croda International, in receipt of a 70p per share bid from Burmah Oil, hardened 2 to 82p.

Reports of brokers' downgrading their profits forecasts unsettled Comet Radiovision Services, which were sold down to 102p before finishing a net 5 down at 107p. Elsewhere in Stores, takeover hopes persisted for Goodman Bros. despite the board's recent bid denial and the shares hardened a penny for a rise of 7 on the week to 19p. Vantona hardened a penny to 132p awaiting Tuesday's preliminary results. Burton featured the firm leaders, rising 4 to a new peak of 162p. Stylo, 5 lower at 123p, provided an isolated dull spot in Shoes.

TV Rentals firm

Buyers came for television rental concerns in the Electrical sector yesterday following favourable reports emanating from an investment seminar. Thorn EMI closed 7 to the good at 475p and Electronic Rentals firmed 6 to 94p. Granada A added 5 to 242p, after 246p, on the annual report and BET, additionally helped by Press comment, put on 5 to 152p. Elsewhere, renewed demand ahead of the results scheduled for March 12 left Kode International 15 up at 275p. Air Call put on 10 to 220p, while improvements of 4 and 6 respectively were seen in Arlen, 26p, and ESI London, 143p. Telephone Rentals, on the other hand, shed 7 to 333p and Ferranti dipped 8 to 640p. Perkin Elmer 4 per cent, remained on offer and fell 7 points more to £145.

Engineers passed an extremely quiet trading session and scattered movements were usually limited to a few pence either way. Among the leaders, Tubes drifted off to close 4 cheaper at 124p and John Brown eased 2 to 58½p, but GKN edged up a couple of pence at 165p. Sporadic demand lifted Wagon Industrial 4 to 76p and Westland a similar amount to 104p. Up to 24p at one stage, Tace reacted to close a penny cheaper on the day at 21p following the half-year loss and the passing of the interim dividend. Simon Engineering remained on offer and gave up 4 more to 403p, while Yarrow reacted 5 to 295p and Vosper 3 to 147p.

Among Foods, Rowntree Mackintosh firmed 4 for a two-day gain of 8 to 166p; the offer document outlining the group's bid for Huntley and Palmer is due soon and is expected to contain a profits forecast; H & P hardened a penny to 110p.

Grand Metropolitan remained a firm counter in Hotels and Caterers and added 3 for a two-day gain of 10 to 197p. Kennedy Brookes, dealt in the Unlisted Securities Market, jumped 9 to 162p in response to the better-than-expected preliminary results.

Extel became a firm counter in miscellaneous industrials, rising 13 to 288p on investment buying. Demand ahead of the preliminary figures, due on March 29, left Low and Bonar a further 8 up at 195p, while Sothebys rose the same amount to 333p, after 340p, on a Press suggestion—that a bid for the company might be in the offing. Applied Computer rose 5 to 177p as did Fothergill and Harvey, to 137p. Associated Communications Corporation 'A' softened 2 to 81p, which compares with Heron Corporation's increased cash offer of 90p per share. Among the leaders, Metal Box lost 4 to 178p following details of the rationalisation proposals at its Line division. Turner and Newall, at 102p, retrieved 3 of the previous day's fall of 7 which followed reports of a broker's downgraded profits forecast. Unilever improved 5 to 655p ahead of the results, due on March 2, while Beecham hardened a couple of pence to 233p after Press comment.

Hopes that the company would attract orders for its 3-D camera following a U.S. photographic exhibition sparked support for Nimslo which, in a limited market, jumped to 235p before closing a net 20 up at 222p for a jump on the week of 42. Pleasurama, strong recently on the London casino acquisition, reacted 10 to 400p but retained a gain on the week of 32.

Motor Distributors made a firm showing. A broker's upward revision of annual profits, due around mid-March, lifted Lex Service 6 to 114p, after 115p, while Henlys put on 5 to 119p on revised speculative interest. Kenning Motor added a penny to 70p, while Adams and Gibbon firmed 5 to 79p in response to the good preliminary results and optimistic statement.

Properties were lethargic and the leaders drifted easier for want of attention, Land Securities softening 2 to 298p and MEPC a penny to 223p. Haslemere Estates lost 6 to 390p and Stock Conversion 5 to 328p, while Slough Estates, a rising market recently on vague takeover rumours, eased a penny to 155p. Elsewhere, Hardanger Property, dealt in the Unlisted Securities Market, firmed 5 to 103p.

Overshadowed by the continuing pressure on crude prices, Oil shares passed another featureless day's trading. British Petroleum managed a gain of a couple of pence to 292p, but Shell ended that amount down at 360p and Lasmo eased 10 to 310p. Candecca, a good market earlier in the week on the onshore exploration agreement with Esso Petroleum, encountered profit-taking and reacted 6 to 190p. Berkeley Exploration eased 5 to 340p and KCA 4 to 102p, while Strata closed 4 lower at 32p. ORE held at 295p after the quarterly figures.

Among Financial Trusts, Centreway encountered support and moved up 7 to 85p, while Aitken Hume edged up 3 to 200p. Mexico Fund rallied 15 to 320p.

Late speculative demand left Reardon Smith 5 higher at 150p in Shippings.

Lister became a good market in the late dealings at 35p, up 3, in response to the return to profitable trading at the interim stage. Elsewhere in Textiles, R. Smallshaw returned to favour and put on 2 to 21p, but Reliance Knitwear, at 30p, gave up 2 of the previous day's rise of 7 which followed the preliminary figures.

Among Tobaccos, Bats drifted off to close 5 cheaper at 433p, but Imps held at 84p.

In Plantations, Harrisons Malaysian Estates gave up 5 to 155p; the interim results are scheduled for next Wednesday.

South African Financials were the biggest movers among mining stocks, with the gold-based issues registering falls to a point and more in reaction to the weakness of the gold price over the last few days. Bullion closed at $367.50, a 29-month low and down $11.25 on the week, and the Gold Mines index gave up a further 1.2 to 261.3 for a decline on the week of 22.8.

Gold Fields of South Africa lost £1⅞ to £29. "Johnnies" were a full point weaker at £35, "Amgold" declined ½ to £35 and Gencor gave up 20 to 860p. UC Investments also closed 20 lower, at 560p.

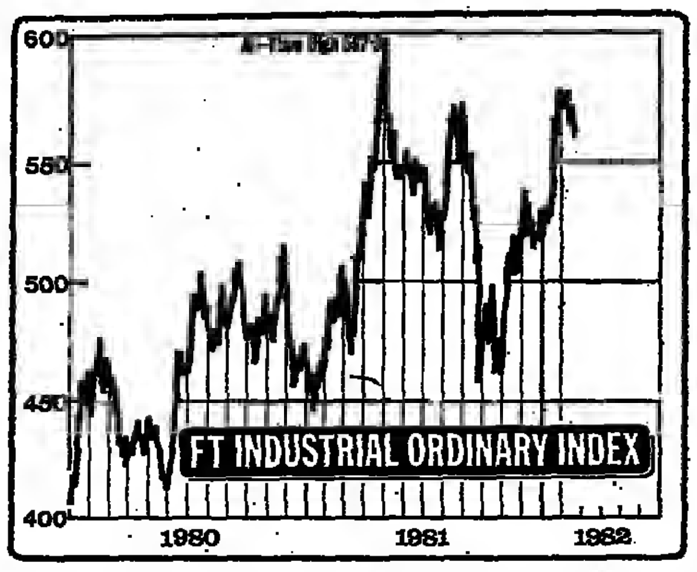
South African Golds were only lightly traded, with losses among the heavyweights mostly confined to around ¼. Some of the second-line stocks registered significant declines, as in Libanon, down 32 to 727p. Unisel, 417p, Grootvlei, 376p and East Daggafontein, 91p, all ended around 10 weaker.

London Financials lost ground early in the day, but rallied later to close broadly unchanged. Charter Consolidated were finally 2 to the good at 235p, after 232p. Gold Fields gained 5 to 452p and Rio Tinto-Zinc put on 2 to 442p after 438p.

In Tins, Hongkong gained 10 to 410p on light speculative buying, but Pengkalen gave up 5 of the recent rise to close at 330p.

Australians had a more lively day than of late, but closed little changed with the exception of Meekatharra Minerals, which advanced 8 to 144p on favourable press comment. Ashton Mining put on 4 to 62p on news that De Beers have been recommended to take over the marketing of diamonds produced by the Ashton joint venture.

Traded Options finished the quietest week of the year by recording 1,444 deals—1,054 calls and 390 puts. The week's daily average amounted to 1,403. Imps remained active, attracting 238 contracts, comprising 138 calls and 100 puts.



Throgmorton Secured shows slight advance

Earnings of the Throgmorton Secured Growth Trust have risen slightly from £119,441 to £124,501 for the six months to January 31, 1982, or from 1.19p to 1.25p per 25p share.

The interim dividend is maintained at 0.6125p net per share—last year's final was 1.9625p.

Mid-yearly gross revenue edged ahead from £362,198 to £369,918. Interest charges took £162,701 (£158,747), administration £24,101 (£23,041), and tax accounted for £58,615 (£60,969).

The interim payment again absorbs £61,250, leaving undistributed revenue of £63,251.

Net asset value per share rose from 165.9p at July 31, 1981, to 67.1p at the half year.

Scottish Utd. increases dividend

Net revenue earned for ordinary shareholders of Scottish United Investors improved from £2.51m, or 1.51p per 25p share, to £2.64m or 1.59p per share in 1981. The total dividend is effectively raised from an adjusted 1.53p to 1.6p with a final of 1.02p (0.97p adjusted).

At the year-end, net assets available for ordinary shareholders amounted to £122.95m (£115.85m), equivalent to 73.9p (69.7p) per share.

YEOMAN INV.

Yeoman Investment Trust has repaid its remaining foreign currency loan.

FINANCIAL TIMES STOCK INDICES

	Feb. 19	Feb. 18	Feb. 17	Feb. 16	Feb. 15	Feb. 15	A year ago
Government Secs.	66.10	65.55	65.54	64.83	64.79	65.04	69.17
Fixed Interest	65.55	65.33	65.16	64.95	64.69	66.42	70.27
Industrial Ord.	562.3	562.2	563.6	557.9	564.1	570.5	486.4
Gold Mines	261.3	263.5	269.5	274.5	274.3	284.1	335.2
Ord. Div. Yield	5.45	5.45	5.43	5.50	5.43	5.39	7.35
Earnings, Yld. % (full)	9.66	9.66	9.63	9.76	9.63	9.56	16.36
P/E Ratio (net) (*)	13.54	13.54	13.58	13.42	13.58	13.68	7.48
Total bargains	15,991	17,986	18,133	18,549	19,791	19,021	24,017
Equity turnover £m.	—	135.47	100.41	100.24	105.77	166.92	175.94
Equity bargains	—	13,868	14,158	16,380	14,376	10,843	19,461

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

10 am 560.2. 11 am 561.8. Noon 561.1. 1 pm 561.8. 2 pm 561.8. 3 pm 561.8.

Latest Index 01-246 8026.

*Nil=12.05.

HIGHS AND LOWS

	1981/2 High	1981/2 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (20/3/81)	60.17 (28/10/81)	127.4 (9/1/35)	49.18 (6/1/75)
Fixed Int.	72.01 (20/3/81)	61.61 (26/10/81)	150.4 (28/11/47)	50.53 (6/1/75)
Ind. Ord.	597.3 (30/4/81)	446.0 (14/1/81)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	429.0 (14/5/81)	261.3 (19/2/82)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Feb. 18	Feb. 17
Daily		
Gilt Edged Bargains	194.8	198.0
Equities Bargains	89.8	91.7
Value	275.8	221.1
5-day Avrge.		
Gilt-Edged Bargains	200.1	195.4
Equities Bargains	101.1	106.0
Value	257.8	276.7

NEW HIGHS AND LOWS FOR 1981/2

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981-82.

NEW HIGHS (42)

BRITISH FUNDS (9)

Trea. 8¼pc 1982; Exch. 9¼pc 1982; Exch. 6¼pc 1983; Trea. 9¼pc 1983; Exch. 14pc 1986; Exch. 13¼pc 1987 A (£20 pd.); Trea. 3pc 1987; Trea. 12pc 1987; Exch. 15pc 1997

COMMONWEALTH AND AFRICAN LOANS (2)

Aust. 5½pc 1981-82; Do. 6pc 1981-83

BANKS (3)

Barclays; Lloyds; NatWest

BUILDINGS (4)

Aberdeen Cons; H.A.T. Group; Laing (John); Mowlem (J.)

STORES (1)

Burton

ELECTRICALS (5)

Air Call; ESI London; Rediffusion; Sound Diffusion; Security Centres

ENGINEERING (2)

Abwood; Ductile Steels

HOTELS (1)

Kennedy Brookes

INDUSTRIALS (9)

Crest Nicholson; Extel; Hanson Tst. 9½pc Cv.; Do. 6½pc Cv.; Wolverhampton Stm. Laundry; Riley (E.J.); Unilever; Utd. Parcels; Watsham's

LEISURE (1)

Nimslo Int.

NEWSPAPERS (1)

Pearson Longman

PAPER (1)

More O'Ferrall

TEXTILES (1)

Shaw & Marvin

TRUSTS (2)

Pearson (S.); Sum Finance

NEW LOWS (26)

AMERICANS (2)

Amax; Damson Oil

BUILDINGS (1)

Ramus

CHEMICALS (1)

Leigh Ints.

ELECTRICALS (2)

Hemokinetics; Perkin-Elmer 4pc

ENGINEERING (1)

Parkfield Foundries

FOODS (1)

Home Farm

INDUSTRIALS (1)

Kleen-E-Ze

MOTORS (1)

Dowty

TRUSTS (2)

Japan Assets; New Aus. Inv.

OIL AND GAS (7)

Ceres Res.; Genoa Oil; LASMO; Magnet Metals; Osprey Pet.; Silkolene; Strata Oil

MINES (7)

Western Areas; Western Deep; Welkom; West Coast; Bond Cps.; Greenbushes Tin; Pancontinental

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	80	—	12	238	76	146
Corpns. Dom. & Foreign Bonds	12	2	60	56	22	292
Industrials	225	208	924	1,096	1,215	4,535
Financial & Props.	47	150	319	343	575	1,663
Oils	16	36	58	88	183	281
Plantations	4	1	19	13	24	83
Mines	34	53	79	113	368	369
Others	40	63	40	186	250	289
Totals	458	513	1,511	2,071	2,703	7,648

LEADERS AND LAGGARDS

Percentage changes since December 31, 1981, based on Thursday, February 18, 1982.

Tobaccos	+20.63	Insurance (Composite)	+ 5.80
Chemicals	+13.98	Insurance Brokers	+ 5.18
Packaging and Paper	+11.77	Office Equipment	+ 5.17
Shipping and Transport	+11.42	Motors	+ 4.53
Food Retailing	+11.11	500-Share Index	+ 4.06
Other Groups	+10.47	Engineering Contractors	+ 3.82
Stores	+10.27	All-Share Index	+ 3.82
Other Consumer	+10.10	Capital Goods	+ 2.85
Contracting, Construction	+ 9.64	Overseas Traders	+ 2.80
Consumer Group	+ 9.35	Insurance (Life)	+ 2.42
Investment Trusts	+ 9.32	Financial Group	+ 2.36
Health and H'sehold Products	+ 8.02	Property	+ 1.26
Textiles	+ 7.94	Banks	+ 0.77
Building Materials	+ 7.28	Electricals	+ 0.52
Food Manufacturing	+ 7.10	Mechanical Engineering	+ 0.03
Industrial Group	+ 6.99	Metals and Metal Forming	− 0.48
Other Industrial Materials	+ 6.92	Merchant Banks	− 3.86
Brewers and Distillers	+ 6.80	Mining Finance	− 4.62
Newspapers, Publishing	+ 6.37	Discount Houses	− 7.34
Leisure	+ 5.59	Oils	− 5.36
		Gold Mines Index	−14.63

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb 22	Mar 5	June 3	June 14
Mar 8	Mar 19	June 17	June 28
Mar 22	April 2	July 1	July 12

For rate indications see end of Share Information Service

Stocks to attract money for the call included British Petroleum, Nimslo, Eagle Star, Bowater, Inter-City, Pennine Commercial, Chloride, Yorkshire Chemical, Swire Properties, First National Finance, ICL, Reo Stakis and Premier Consolidated. Gill and Duffus and NatWest were dealt in for the put, while a double option was arranged in Nimslo.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Blue Circle	496	− 2	Grand Metropolitan	197	+ 3
CRA	158	+ 3	Henlys	119	+ 5
Comet Radio	107	− 5	Lex Service	114	+ 5
Eagle Star	376	− 2	Lloyds Bank	486	+16
Goodman Bros	19	+ 1	Nimslo	222	+20
Granada A	242	+ 5	Sun Alliance	900	−10

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Thursday's closing price pence	Day's change	Stock	No. of price changes	Thursday's closing price pence	Day's change
Eagle Star	19	378	− 9	Goodman Bros	14	19	− 5
Blue Circle	17	498	−18	Grand Met	14	194	+ 7
Int City Inv	17	50	− 2	ICI	14	338	− 6
RTZ	16	440	− 5	BP	13	290	—
Imp Group	15	84	+ 3½	GEC	13	833	+ 3
Turner & Newl	16	99	− 7	Burmah Oil	12	113	+ 5
SH Props	14	510	+10	Lonrho	12	78	− 1

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of price changes	Thurs. closing price pence	Change on week	Stock	No. of price changes	Thurs. closing price pence	Change on week
Int-City Inv	153	60	+30½	Eagle Star	84	378	+28
Imperial Grp	120	84xd	+ 4	Bowater	79	256	+13
ICI	104	338	− 6	Beecham	75	231	−12
GEC	87	833	+ 3	BP	75	290	− 5
Shell Trans	87	362	− 9	Dowty	72	117	+ 1
Lonrho	86	78xd	− 4	Trident TV A	71	86xd	+ 6
RTZ	86	440	− 4	Turner & Newl	70	99	− 9

RECENT ISSUES

EQUITIES

Issue price p	Amount Paid up	Latest Renunc. Date	1981/2 High	1981/2 Low	Stock	Closing price p	+ or −	Div. p. or amount	Times covered	Gross yield	P.E. ratio
§30	F.P.	12/2	30	29½	Assets Special 10p	29½	.....	—	—	—	—
—	F.P.	—	8	2	Do. Warrants 10p	9	.....	—	—	—	—
160	F.P.	12/2	99	95	Baillie GiffordJ'n Tst.	95	.....	—	—	—	—
§100	F.P.	—	39	35	Do. Warrants	38	−1	—	—	—	—
†	F.P.	—	347	315	✱Eldridge Pope £1	347	+2	9.5	2.9	3.9	10.7
80	F.P.	15/1	84	81	✱Equipu. 10p	83	.....	bd3.1	2.1	5.3	12.8
—	F.P.	—	10	7	F&C Enter. Warrants	7	.....	—	—	—	—
150	F.P.	4/1	165	156	✱Haytera £1	160	.....	10.5	4	9.9	4
§90	F.P.	5/3	90	89	✱Imm. Bus. Sys. 10p	90	.....	—	—	—	—
‖‖	F.P.	—	63	48	✱Malaysian Tin 5p	48	.....	—	—	—	18.6
§5	F.P.	—	15½	4½	Peek Hldgs.	13½	.....	—	—	—	9.1
115	F.P.	29/1	132	117	Speyhawk 10p	132	+1	bd7.0	2.5	7.6	8.0
‖‖	F.P.	—	16	16	TSW 5p	15	.....	F0.6	—	5.7	—
—	F.P.	—	5	3½	Viners 1p	4	.....	—	—	—	—
48	F.P.	19/2	[illegible]	[illegible]	✱York Mount	[illegible]	[illegible]	[illegible]	[illegible]	11.5	2.4

FIXED INTEREST STOCKS

Issue price £	Amount Paid up	Latest Renunc. Date	1981/2 High	1981/2 Low	Stock	Closing price £	+ or −
£100	£25	30/7	28¼	26¾	Barclays 16% Ln. Stk.	28¼	+1
[illegible]	F.P.	—	[illegible]	[illegible]	Churchbury Ests. 6¾% Cnv. Ln. 1995	302	.....
[illegible]	F.P.	—	[illegible]	[illegible]	Do. 9pc Cnv. Ln. 1997	112	.....
[illegible]	F.P.	—	[illegible]	[illegible]	Habitat 9¾% Conv. Uns. Ln. '98-2001	157	.....
[illegible]	F.P.	—	[illegible]	[illegible]	Haslemere Est. 9pc Conv Uns Ln. 2001/06	110	−½
[illegible]	F.P.	—	[illegible]	[illegible]	Mid-Kent Water 9½% Red. Prf. 1987	15	.....
£100	F.P.	—	[illegible]	[illegible]	Nat'wide Bldg. Society 15% (17/1/83)	100¼	.....
£100	F.P.	—	[illegible]	[illegible]	Do. 15¾% (7/2/83)	100¼	.....
[illegible]	F.P.	—	[illegible]	[illegible]	Viners 10% Conv. Loan 1986	82	.....

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1981/2 High	1981/2 Low	Stock	Closing price p	+ or −
$A1	Nil	—	[illegible]	[illegible]	CSR A$1	300	.....
140	F.P.	19/2	[illegible]	[illegible]	Davy Corp.	156	−2
10	Nil	—	[illegible]	[illegible]	Energy Finance 10p	1pm	.....
100	F.P.	12/2	[illegible]	[illegible]	Glass Glover	114	.....
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Kwik Save 10p	438	.....
[illegible]	Nil	[illegible]	[illegible]	[illegible]	Lovell (Y.J.)	40pm	−2
220	F.P.	11/2	[illegible]	[illegible]	MEPC	225	−1
35	Nil	[illegible]	[illegible]	[illegible]	Smith St. Aubyn	10pm	−1
45	Nil	[illegible]	[illegible]	[illegible]	Steaua Romana (Brit.)	1pm	.....

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. ♦ Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ✱ With warrants. [illegible] Unlisted Securities Market. [illegible] London Listing. † Effective issue price after scrip. [illegible]

BANK RETURN

	Wednesday Feb. 17 1982	Increase (+) or Decrease (−) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	59,333,070	− 2,019,516
Bankers Deposits	517,690,306	− 79,336,050
Reserve & other Accounts	1,554,238,087	− 12,476,234
	2,125,814,463	− 93,828,800
Assets		
Government Securities	464,570,069	− 180,795,000
Advances & other Accounts	1,079,863,055	+ 25,334,177
Premises Equipment & other Secs.	576,313,767	+ 73,034,859
Notes	4,864,500	− 11,397,353
Coin	203,072	− 4,883
	2,125,914,463	− 93,828,800
ISSUE DEPARTMENT		
Liabilities	£	£
Notes Issued	10,575,000,000	− 25,000,000
In Circulation	10,570,135,500	− 13,602,647
In Banking Department	4,864,500	− 11,397,353
Assets		
Government Debt	11,015,100	[illegible]
Other Government Securities	4,321,641,892	+ 49,651,601
Other Securities	6,242,343,008	− 74,651,601
	10,575,000,000	− 25,000,000

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri Feb 19 1982 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur Feb 18 Index No.	Wed Feb 17 Index No.	Tues Feb 16 Index No.	Mon Feb 15 Index No.	Year ago (approx.) Index No.	1981/82 High	1981/82 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (210)	368.70	−0.2	9.23	4.32	13.65	369.07	369.56	367.85	370.86	306.19	[illegible]	[illegible]	[illegible]	[illegible]
2 Building Materials (25)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Contracting, Construction (28)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Electricals (31)	1261.23	−0.1	7.28	2.28	17.55	1264.30	1261.90	1252.51	1259.32	1008.85	[illegible]	[illegible]	[illegible]	[illegible]
5 Engineering Contractors (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Mechanical Engineering (67)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 Metals and Metal Forming (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9 Motors (21)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10 Other Industrial Materials (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21 CONSUMER GROUP (198)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22 Brewers and Distillers (21)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25 Food Manufacturing (21)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26 Food Retailing (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27 Health and Household Products (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29 Leisure (24)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32 Newspapers, Publishing (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33 Packaging and Paper (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34 Stores (45)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35 Textiles (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36 Tobaccos (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39 Other Consumer (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41 OTHER GROUPS (79)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42 Chemicals (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44 Office Equipment (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45 Shipping and Transport (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46 Miscellaneous (46)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49 INDUSTRIAL GROUP (487)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51 Oils (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59 500 SHARE INDEX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61 FINANCIAL GROUP (117)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62 Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63 Discount Houses (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65 Insurance (Life) (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66 Insurance (Composite) (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67 Insurance Brokers (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68 Merchant Banks (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69 Property (49)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70 Other Financial (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71 Investment Trusts (112)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81 Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91 Overseas Traders (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (750)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

PRICE INDICES	Fri Feb 19	Day's change %	Thur Feb 18	xd adj. today	xd adj. 1982 to date
British Government					
1 5 years	107.86	+0.30	107.53	—	2.65
2 5-15 years	105.76	+1.16	104.54	—	2.11
3 Over 15 years	108.55	+1.42	107.03	—	[illegible]
4 Irredeemables	118.20	+1.46	116.49	—	[illegible]
5 All stocks	107.11	+0.98	106.07	—	2.28
6 Debentures & Loans	82.28	+0.14	82.17	—	1.60
7 Preference	63.04	+0.66	62.63	—	1.56

AVERAGE GROSS REDEMPTION YIELDS	Fri Feb 19	Thur Feb 18	Year ago (approx.)	1981/82 High	1981/82 Low
British Government					
1 Low 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 Coupons 15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Medium 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Coupons 15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 High 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 Coupons 15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9 25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10 Irredeemables	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11 Debs & Loans 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12 15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13 25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14 Preference	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Other Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	128.20	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

NAME CHANGE: Esperanza has changed its name to Esperanza International Services (Overseas Traders).

Owing to technical problems, the change column in today's display is based on Wednesday's close instead of Thursday's.

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

American Growth	56.3	60.5	-1.8	2.40
Capital	[illegible]	42.5	.....	4.72
(Accum. Units)	[illegible]	54.9	.....	4.01
General	[illegible]	66.3	.....	4.61
Gilt & Fixed Int.	101.5	106.6	+0.9	12.27
Income	[illegible]	42.9	+0.2	8.74
Worldwide Bond	104.6	110.7	-0.4	4.97
Inv. Tst. Fd.	[illegible]	60.2	-0.1	3.99
Equitas Prog.	85.5	92.4	-0.1	4.43

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt Trust	87.8	92.4	+1.2	13.14

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex
Brentwood (0277) 211459 & 229123

Balanced Funds

Allied 1st	92.8	99.3	-2.2	5.43
Brit. Inds. Fund	82.4	88.2	-0.1	6.05
Growth & Income	59.5	63.7	.....	3.92
Elect. & Ind. Dev.	48.0	51.4	-0.2	4.18
Allied Capital	103.5	110.7	-0.3	4.57
Hambro Fund	142.0	151.9	.....	5.35
Hambro Acc. Fund	207.4	221.9	+0.1	4.15

Income Funds

High Yield Fd.	69.6	74.5	.....	8.54
High Income	[illegible]	95.3	+0.1	6.72
Equity Income Fd.	49.2	52.6	.....	7.02
Govt. Secs.	24.4	25.0	+0.2	12.72

International Funds

International	34.2	36.6	+0.2	2.51
Japan Fund	29.0	31.0	+0.5	0.53
Pacific Fund	67.8	72.5	+0.8	1.30
American Spec. Sits.	—	25.8	.....	1.10
Secs. Of America	79.9	85.5	-0.9	2.87

Specialist Funds

Smaller Co.'s Fd.	60.1	64.3	+0.1	3.65
2nd Smlr. Co's Fd.	76.5	81.9	+0.2	3.97
Recovery	[illegible]	32.0	+0.1	4.91
Met. Min. & C'dty.	[illegible]	43.3	-0.2	6.02
Overseas Earnings	[illegible]	64.7	.....	4.64

Choularton Fund Managers(g)
57-63, Princess St., Manchester. 061-236 5685

Growth	15.2	16.4	.....	3.87
International	56.0	60.5	+0.5	1.26
High Income	29.0	31.5	.....	11.28

Confederation Funds Mgt. Ltd. (a)
50, Chancery Lane, WC2A 1HE. 01-242 0282

Growth Fund	78.7	82.8	.....	4.46

Craigmount Unit Tst. Mgrs. Ltd.
Bucklersbury, London EC4N 8BD. 01-248 4984

High Income	36.9	40.3	.....	10.97
North American	55.6	60.1	-0.9	2.80
Canadian Exempt*	53.6	56.7	.....	5.45
Canadian Trust	46.6	50.4	-0.2	2.74
Mid Mount High Inc.*	47.3	50.6	.....	8.59
Recovery	59.2	64.1	-0.4	3.41
Gilt Trust	38.2	40.0	+0.1	13.26

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 3492

Cres. Amer. Fd.	38.7	41.7	-0.3	0.60
Cres. Internat'l.	83.0	89.4	-0.2	1.67
Cres. High. Dist.	46.8	50.5	+0.1	8.46
Cres. Reserves	52.4	56.5	-0.3	5.31
Cres. Tokyo	39.9	43.1	+0.6	0.29

Dartington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf. Unit Tst.	22.3	24.2	.....	6.56

Discretionary Unit Fund Managers
36/38 New Broad St, EC2M 1NU. 01-638 4485

Disc. Inc. Feb 12	259.9	277.2	.....	4.82

Dunbar Unit Trust Managers Ltd.
53, Pall Mall, London, SW1 5JH. 01-930 2122

Income & Growth	23.0	24.4	.....	7.58
Special Sits.	25.2	26.8	-0.3	2.95

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	21.2	23.7	.....	7.34
Gt. Winchester O'seas	32.2	35.8	.....	3.49

Equity & Law Un. Tr. M. (a) (b) (c)
Amersham Rd., High Wycombe. 0494 33377

UK Gwth. Tst. Acc.	57.3	61.6	-0.4	4.68
UK Gwth. Tst. Inc.	57.3	61.6	-0.4	4.68
Higher Inc. Tst. Acc.	59.5	63.9	-0.1	8.01

FT UNIT TRUST INFORMATION SERVICE

INSURANCE PROPERTY BONDS

NOTES

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

1981/82 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
420	210	Hunting Assoc.	242	......	5.0	[illegible]	3.0	6.1
160	75	Huntleigh 10p	114	+3	†1.5	[illegible]	1.9	13.8
226	120	Hutch Whamp $HK1	142	+2	Q34c	[illegible]	2.2	18.0
15	9	Nyman (I. & J.) 5p	11½	......	†0.83	[illegible]	‡	—
£20½	£12⅞	I.C. Industries$	£17¼	......	Q$2.20	—	6.7	—
*61	16	ICL	48	......	—	—	—	—
44	35	Ingall Inds. 10p	39½	......	2.5	[illegible]	9.0	11.9
275	180	Initial Services	269	......	†9.0	[illegible]	4.8	11.3
60	9	Inter-City 20p	49	−1	—	—	—	—
130	39	J. B. Holdings 10p	127	−5	†3.0	[illegible]	3.4	8.2
192	110	Jacksons Bourne	148	−2	5.0	[illegible]	4.8	21.8
27	12	Jones (M.) Inds. 10p	25	......	†1.0	[illegible]	5.7	5.9
248	118	Jardine M. $HK5	158	+1	†Q88c	[illegible]	5.2	9.9
		For Jentique see Metamec Jentique						
257	152	Johnson Clnrs.	221	−2	†7.0	[illegible]	4.5	7.3
*300	186	Johnson Mthy. £1	263	+5	9.5	[illegible]	5.2	(9.7)
92	57	Jourdan (T.) 10p	80	......	5.25	[illegible]	9.4	8.3
81	37	Kalamazoo 10p	43	......	2.5	[illegible]	8.3	19.9
170	128	Kelsey Inds.	160	......	8.0	[illegible]	7.1	9.2
152	112	Kennedy Sm. 10p	146xd	......	†4.38	[illegible]	4.3	7.7
330	225	Kershaw (A.) 5p	285	+5	21.75	[illegible]	11.6	♦
75	42½	Kleen-E-Ze Hldgs.	42½	−½	5.5	[illegible]	18.5	(2.4)
75	55	L.C.P. Hlds.	65	......	4.3	[illegible]	9.4	(19)
48½	37	L.R.C. Int. 10p	44xd	......	2.5	[illegible]	8.1	10.0
56	32½	Lawtex	44	......	1.5	—	4.9	—
188	116	Lead Inds. 50p	185	−3	9.66	[illegible]	7.5	12.4
125	55	Leadenhall Sterling	120	......	‡3.5	1.5	4.2	20.0
330	275	Lep Group 10p	310	......	16.5	2.1	7.6	7.2
28	13	Lesney Prods. 5p	15	......	—	—	—	—
45	30	Lilleshall 10p	37	......	3.5	—	13.5	—
50	25	Lon. & Liv. 10p	45	......	†1.7	3.3	5.4	6.7
128	89	London & Midl'd.	97	−1	7.75	1.1	11.4	(11.9)
49½	29	Lon. & Nthn. Grp.	43	......	3.75	2.3	12.5	3.7
30	23	♦Lon. Priv. Health	26	......	—	—	—	—
9¼	5½	Long Hambly. 10p	8	......	—	—	—	—
68	36	Longton Inds.	46	......	1.0	—	3.1	—

LEISURE

1981/82 High	Low	Stock	Price	+ or −	Div. Net	C'vr
63½	56	A-R TV Pref. £1	59	......	5.95	[illegible]
132	72	Anglia TV 'A'	127	......	6.0	♦
148	75	Assoc. Leisure 5p	85	−1	5.25	[illegible]
84½	48	Barr & W.A.T. 'A'	68	+2	‡3.0	—
65	30	Black Edgtn. 50p	50	......	1.0	—
192	121	Boosey & Hawkes	126	−2	16.04	—
56	32	Campari Int. 20p	53	......	3.1	[illegible]
60	32	Fairline Boats 10p	42	......	d1.0	—
58	29	Glasgow Pavilion 10p	40	......	—	—
46	32	Grampian TV A 10p	41	+4	2.75	[illegible]
50	36	♦Greenwich Cable	37	......	—	—
124	74	HTV Non/Vtg.	122	......	10.0	[illegible]
*370	117	Horizon	360	−8	‡5.0	[illegible]
123	69	♦Intasun 10p	122	−1	b2.8	[illegible]
64	24	††Intervision 10p	34	......	—	—
*25½	13½	Lancaster (D. M.) 5p	24	......	g0.41	[illegible]
137	88	LWT "A"	136	......	10.07	[illegible]
216	97	Mecca Ag. M. 10p	115	......	8.75	[illegible]
72	47	Medminster 10p	67	......	3.7	[illegible]
12	7	††Nationwide 5p	11	......	—	—
235	140	♦Mondo Int 20c	222	+20	—	—
30	30	Norton & Wri. 10p	38	......	d1.0	—
*84	57	Old Swan (Hyde) 10p	70	−2	g0.8	[illegible]
21½	14	Owners Abroad	21½	+¼	b0.35	[illegible]
13	7	††Pan Atlas 20p	7	......	—	—
62	38	Photax (Lon.)	54	......	3.5	[illegible]
427	182	Pleasurama 5p	400	−10	9.5	♦
179	77	Saga Hols. 20p	166	......	h3.73	♦
310	120	Samuelson 20p	135xd	......	d8.77	—
90	63	Scott. TV 'A' 10p	90	......	5.95	[illegible]
58	32	♦SelecTV 10p	40	......	—	—
36	31	♦TVS N/Vtg 10p	36	......	—	—
11½	5	††Tom Hill	6½	......	—	—
89	36	Trident TV 'A' 10p	86xd	......	4.26	[illegible]
255	115	21st Century Dist. Cpn.	210	......	—	—
31	10	Webb (Jos.) 5p	25	......	hd0.51	[illegible]
112½	69	Zetters 5p	71xd	......	2.75	[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

Australian

Tins

Copper

Miscellaneous

NOTES

REGIONAL MARKETS

OPTIONS

3-month Call Rates

"Recent Issues" and "Rights" Page 22

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES

Saturday February 20 1982

MAN IN THE NEWS

Tackling Ulster's problem

BY MALCOLM RUTHERFORD

IT IS A LONG TIME since a Ministerial statement has commanded such respect from all sides of the House of Commons as that made by Mr James Prior, the Secretary of State for Northern Ireland, on the future of De Lorean Motor Cars yesterday morning.

Mr Prior bad beeo prepared for flak from his own benches for the amount of public money that has been put into De Lorean in the past and flak from the Labour Party for backiog out oow. In the event, he got it absolutely right: it was agreed that receivership was the only possible course. Even the Rev. Ian Paisley was subdued.

It was striking that Mrs Thatcher was not at his side, as sbe is so ofteo when her more preferred colleagues are at the despatch box. But perhaps Mr Prior liked it that way.

Tbe story of his relations with the Prime Minister is one of utter personal incompatibility.

James Prior
Not eye to eye with Mrs Thatcher

It is not that they differ all that much in their political views: it is simply that they do not get on. Tbey aloiost bait each otber into tempers. Mr Prior did not get on terribly well with John De Lorean eitber, though that may be less surprising.

The Secretary of State is in no doubt that he is in Northern Ireland now because Mrs Thatcher wanted to get him out of tbe way. After a summer of rumours about wbere he was going last year, he almost turned down tbe job at tbe last mioute.

Lord Soames, who was sacked from the Cabinet at the time Mr Prior was swilched, advised him that it was his duty to take up the leadership of the Tory "wets." But Mr Prior is not a natural dissideot leader and the family advice was different: it was that if you are offered Northern Ireland, you must take it.

Mr Prior has taken it in a big way. He also has one of the strongest Ministerial teams in the history of the Province, including the Earl of Gowrie, once described by Mr Denis Healey as the best Minister io the Tory Government.

The Secretary of State admits that it may turo out that no political initiative is possible, but it does not look like that at the moment. The three inseparable elements of the Northern Ireland problem — security, the economy and political development—could just be working togetber to make it time for a breakthrough.

Mr Prior says that there has been significant, though unpublicised progress on the security front in the last few weeks, largely because of infighting within tbe extremist republican groups. Here he souods like previous Secretaries of State who have lived to regret such words, but he may be right.

The economic calamity—not just De Lorean, but further lay-offs at Harland and Wolff and unemployment of around 20 per cent—could finally concentrate the mind on the need for political movement. Even some of the Unionist politicians have gone relatively qniet as a result of the scandal over the Kincora boys' home.

Mr Prior hopes to have his plan for "rolling devolution" ready towards the end of next month. To my mind, there is no doubt whatsoever that he will resign if the Cabinet does not back him. He outlined some of his political thinking on Ulster in a speecb to the Bow Group this week and was slightly shocked to find what a right wing body it had become: which is much what he thinks of Mrs Thatcher's Toryism. Oddly enough, he still believes the Party will win the election—"though God knows why!"

World insights of straight Haig

Leaked transcripts reveal the secret thoughts of U.S. State Secretary, Anatole Kaletsky reports from Washington.

BEHIND THE oaths which have become hallmarks of U.S. politicians talking in private to their advisers, leaked transcripts of more than 20 top State Department meetings published in the Washington Post yesterday reveal Mr Alexander Haig as a pragmatic and cautious foreign policy strategist, aware of the difficulty of reconciling international realities with the ideological rhetoric of President Ronald Reagan's more conservative supporters.

Tbe transcripts also reveal a hot-blooded side to Mr Haig's temperament. The notes of his private discussions taken by "one of the people present at" at regular State Department staff meetings quote Mr Haig calling Lord Carrington "a duplicitous bastard" describing U.S. polic yas "kicking Israel in the ass" and referring to President Jimmy Carter's attitude to the CIA as "castration of America's eyes and ears around the world."

But the two main themes running through his substantive statements on diplomatic issues are anxiety about the future of the Middle East after the completion of the handover of Sinai by Israel to Egypt and fear that foreign policy achievements may be "torpedoed at every turn by the ideologues" close to Mr Reagan.

At meetings last month on the Middle East, Mr Haig allegedly said: "The only thing keeping Egypt from going back to the pre-peace treaty stance is the Sinai territory return. Tbe whole atmospbere (in Cairo) is 180 degrees different from last May." (Before the assassination of President Anwar Sadat.)

"Egypt will go back into the Arab world with the U.S. isolated as Israel's sole defender," be said at another meeting on January 18.

On the EEC initiative for a Sinai peace-keeping force in October, Mr Haig allegedly declared: "Carrington is s duplicitous bastard . . .our European friends—just plain cowardly. The British are lying through their teeth" (regarding Britain's claim that its peace-keeping force proposal was made in response to pressure from Saudi Arabia).

On Poland, Mr Haig has been urging greater caution than some of President Reagan's other advisers. He opposed the idea of making Poland default on its debts, saying that this could mean "the collapse of tha West German economy" and would have "very far reaching and unpredictable" effect including the "ruin of East-West trade."

Two days after the declaration of martial law in Poland he told his staff. "All Europe is concerned. The French are toughest on Poland, Germany, schizophrenic, the British are vary British."

Whether the leaked transcripts will explain Mr Haig better to the U.S. people is questionable. They are already being described as another major embarrassment for this accident-prone politician. The State Department has not commented on their veracity, but the Washington Post claims to have bsd their content supported by other officials who were present at the meetings in question.

Our Foreign Staff adds: In London, the Foreign Office declined any comment on Mr Haig's reported remarks about Lord Carrington beyond insisting that "Britain's relations with the U.S. are excellent (and) relations between Mr Haig and Lord Carrington reflect the excellent relations between the U.S. and Britain."

LAST-DITCH ATTEMPT TO AGREE ON REDUNDANCIES

Times print leaders may see Murdoch tomorrow

BY JOHN LLOYD, LABOUR EDITOR

PRINT UNION leaders expect a call to a meeting tomorrow with Mr Rupert Murdoch, owner of Times Newspapers, in a last-ditcb attempt to get agreement on the 600 redundancies be has demanded on. The Times and the Sunday Times.

Mr Bill Keys, general secretary of the largest priot union, the Society of Graphical and Allied Trades, said yesterday that it was a "racing certainty" that print union general secretaries would meet Mr Murdoch at The Times offices. Mr Murdoch returns to the UK from New York this weekend.

Mr Keys said he believed Mr Murdoch was "utterly serious" in his intention to close the newspapers if agreement on cuts cannot be reached — a view shared by other print union leaders.

The future of the newspapers will be decided at a meetiog of the Times Newspapers (TNL) board on Monday. Directors of News International, TNL's parent company, will be standing by.

The TNL board meeting will follow a meeting of the five independent directors of the newspapers. They will be faced with a request from Mr Murdoch to consent to the transfer of the titles from TNL to News International.

On Thursday, Mr John Biffen, the Trade Secretary, told the House of Commons that Mr Murdoch's earlier transfer had been reversed as its validity "may well be open to some doubt."

Mr Ken Ashton, the general secretary of the National Union of Journalists, yesterday delivered a letter to the independent directors asking them to oppose the transfer "in order to preserve the status and integrity of Times Newspapers."

News International said last night that the "situation on redundancy negotiations can be described only as extremely grave."

It said talks on manning cuts would continue over the weekend if necessary, but that some groups "appear intractable in their unwillingness to negotiate with a view to achieving a viable future for the company.

"These groups are frustrating the attempts to bring about the total agreement which we have stated from the outset to be an essential condition for the continued publication of the titles."

Group set for phone licence

BY JASON CRISP

THE MERCURY consortium which wants to set up a rival telephone network for business to compete with British Telecom has resolved its problems and is to be granted a licence by the Department of Industry. An official announcement is expected next week.

After months of negotiations with the Industry Department the consortium—of Cable and Wireless, British Petroleum and Barclays Merchant Bank—ran into considerable difficulty this week.

The problem was that as it stood, the all-digital communications network, wbich will initially link seven major business centres, was not viable. After days of concentrated meetings, the consortium is believed to bave made a number of technological compromises to redoce the cost.

Mercury will bave interconnection with Britisb Telecom's local network. It will also have private international leased lines through its own earth stations beaming calls via satellites to the Fast East and the U.S.

The licence being graoted to Mercury is essentially the same as it had been offered late last year. Cable and Wireless continued to insist for about two months that the UK network sbould be able to connect to public international switched circuits.

Cable and Wireless dropped the demand only 10 days ago. Without the access to bighly profitable international switched circuits, the project was not viable. The licence, whicb will run for 25 years, is the only one that will be granted for a competing network for some time.

Italian state energy chairman may defy demand for resignation

BY JAMES BUXTON IN ROME

THE management of ENI, the Italian state energy company, has been thrown into disarray following a government reqnest yesterday for tbe resignatioo of Sig Alberto Grandi, the chairman, aod the other four members of the supervisory board. First indications were tbat Sig Grandi, whose term of office has more than a year to run, has no intention of complying.

Sig Gianni de Michelis, Minister for State Shareholdings demanded the resignations on the authority of Sig Giovanni Spadolini, the Prime Minister after the action was approved by the cabinet on Thursday. Sig Grandi was told that the Government wanted to appoint new meo to run the three state holding companies when a new system of control comes into force this year.

The real reason for the government move, however, is that the Socialist Party, which is part of the ruling five-party coalition, wants the chairmanship of ENI to revert to a socialist. Sig Grandi is affiliated to the Christian Democrat Party.

The change of leadership would come at a delicate time. ENI is negotiating with Algeria on the price of gas suppbes, and with the Soviet Union on the unresolved issue of Italy's taking gas from the Siberian pipeline. It is also in the process of rebuilding its relations with Saudi Arabia.

Sig Grandi, a technocrat, became chairman of ENI in May 1980 for a three-year term after the company had been convulsed by a scandal over alleged bribery in connection with an oil deal between it and the Saudi state concern, Petromin. Giorgio Mazzanti, a Socialist, resigned as chairman as a result.

Chairmansbips of the other two state holding companies, the iodustrial coocerns IRI and EFIM, come up for renewal this year. Their chairmen are respectively a Christian Democrat and a Social Democrat. The Socialist Party wants an even balance betweeo the three parties. Because of the importance of the Socialists to the survival of the Government, the other parties appear to agree.

Before being officially asked for his resignation, Sig Grandi said be bad no intention of resigning. He said the three-year term was too short anyway for the effective running of ENI, whose turnover was L28,000bn (£12bn) in 1980.

The Socialist Party is understood to want to nominate Sig Leonardo di Donna, Socialist deputy chairman of ENI, to succeed Sig Grandi. However this is uncertain because his name was found in the list of members of the P2 masonic lodge, the scandal whicb brought down the government last year.

Threat to Northern Press, Page 3

Continued from Page 1

De Lorean attempt

its revenue from selling cars to the parent U.S. sales company.

In announcing the Receivership, Mr Prior said it did not guarantee "a way ahead" for the Belfast company.

"It is clearly a matter of concern to the Government that this position should have been reached."

There was no question of the Government providing furtber financial help no matter what restructuring was atempted. The Governmeot "would have no credibility left" if it did so.

Mr Prior declared that "very considerable management and marketing mistakes" had been made by De Lorean's executives. They had predicted sales of 20,000 cars a year but the maximum feasible was 8,000-9,000. The company could not survive selling fewer than 7,000 cars a year.

It would be wrong to be too optimistic about the company's survival now, but "there is more goodwill to try to reacb some successful position than one might have thought possible over the past few weeks."

Mr John De Lorean, before flying back to the U.S. said be was "delighted" at the outcome and stressed that the Receivership had been voluntary, rather than enforced by creditors. But he expressed fears that the U.S. public could still be deterred from purchasing the $25,000 (£13,480) stainless steel sports cars, which the remaining 1,500 Belfast employees are to continue to build at the rate of 140 a week.

On his arrival in New York he issued a statement which did not even mention Receivership. He called it instead an "extermely advantageous reorganisation plan" comparable with the "similar restructuring of Rolls-Royce in 1973."

He claimed: "by this action the Government has removed $130m of primarily Government debt from the balance sheet. Using this turning point agreement as a springboard, the many De Lorean customers who have besitated to conclude the purchase of their automobile may now do so with complete confidence."

The rest of the statement dealt mostly with the "instant and enthusiastic public acceptance" of the car and ended with thanks "to Her Majesty's Government for this powerful support."

Mr De Lorean, who said be had not slept for two days, insisted, however, that Sir Kenneth's estimate of the funds needed to keep Belfast going was too high and that $30m-$50m would be enough.

Continued from Page 1

Clothing

Levi Strauss bas taken its action because it has fought a long battle against pirates who counterfeit its clothes.

Last March, for instance, it sued Jordache Enterprises, another major U.S. jeans manufacturer, for allegedly infringing its trademark. And in 1978 it received £255,000 in an out-of-court aettlement in Loodon relating to alleged pirating of its products.

"We vigorously enforce our trademarks," the company commeoted yesterday. "The compaoy is continually defending its rights against infringements by others. "We find ourselves widely infringed against and we respond in kind."

Applications for trademarks have to go to the Registrar of Trademarks, whose mills grind exceedingly slowly.

It took it five years to decide on the first application and Levi Strauss filed its second, so-far-ungranted application, back in 1977.

In the Intervening period the Registrar bas seen its workload rise by 40 per cent and senior staff cut under Government economies by about the same amount.

So it will probably be near the end of the decade before a decision on any third application from the American company is made.

Weather

UK TODAY

CLOUDY, perhaps sleet or snow in South east, misty in central parts.

London, S.E., E. England
Mostly cloudy. Max 4C (39F).

Midlands, N.W., N.E. England, S. Scotland
Some fog patches, sunny intervals in sheltered places. Max. 6C (43F).

S.W. England, Wales, Scotland
Cloudy, drizzle at times. Max 8C (46F).

Outlook:
Rain perhaps preceded by sleet, spreading east.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	14	57	London	C	4	39
Algiers	F	17	63	L. Ang.†		—	—
Amsdm.	C	0	32	Luxmbg.	C	−2	28
Athens	C	9	48	Luxor	S	27	81
Bahrain	S	16	51	Madrid	C	11	52
Barclna.	R	14	57	Majorca	C	15	59
Beirut	S	17	63	Malaga	C	16	61
Belfast	C	2	43	Malta	C	16	61
Belgrd.	C	0	32	M'chstr.	C	4	39
Berlin	C	−1	30	Mx. C.†		—	—
Biarritz	C	9	48	Miami†		—	—
Blackpl.	C	5	41	Milan	C	7	45
Bordx.	F	11	52	Montrl.†	Sn	−8	18
Boulgn.	Fg	2	36	Moscow	S	−8	18
Bristol	C	5	41	Munich	C	−2	28
Brussels	C	0	32	Nairobi	F	27	81
Budpst.	S	2	36	Naples	S	14	57
Cairo	S	23	73	Nwcstl.	C	4	39
Cardiff	C	4	39	N. York†		—	—
Cas'b'ca	F	17	63	Nice	S	15	59
Chicg.†	Fg	1	34	Nicosia	F	16	61
Cologne	C	0	32	Oporto	S	13	55
Cpnhgn.	C	1	34	Oslo	S	−6	21
Corfu	F	15	59	Paris	C	5	41
Denver†	F	1	34	Prague	S	−1	30
Dublin	C	6	43	Reykjvk.	R	8	46
Dbrvnk.	C	12	54	Rhodes	R	11	52
Ednbgh.	S	7	45	Rio J'o†		—	—
Faro	S	17	63	Rome	C	14	57
Florence	F	16	61	Salzbrg.	Sn	0	32
Frankft.	Sn	0	32	S F'cisc†	F	10	50
Funchal	F	17	63	S'tiago†		—	—
Geneva	C	3	37	Stckhm.	S	−2	28
Gibraltar	S	17	63	Strasbrg.	C	1	34
Glasgow	F	6	43	Tangier	F	16	61
G'rnsey	S	8	46	Tel Aviv	S	17	63
Helsinki	S	−2	28	Tenerife	C	14	57
H. Kong	F	22	72	Tokyo	C	11	52
Innsbrk.	Sn	1	34	T'ronto†	Sn	0	32
Invrnss.	S	7	45	Tunis	S	17	63
I.o.Man	S	6	43	Valencia	F	16	61
Istanbul	C	5	41	Venice	C	7	45
Jersey	S	9	48	Vienna	S	−1	30
L. Plms.	C	18	64	Warsaw	F	−2	28
Lisbon	F	15	59	Zurich	C	2	36
Locarno	C	5	41				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sn—Snow.
† Noon GMT temperature.

THE LEX COLUMN

Black horse makes the running

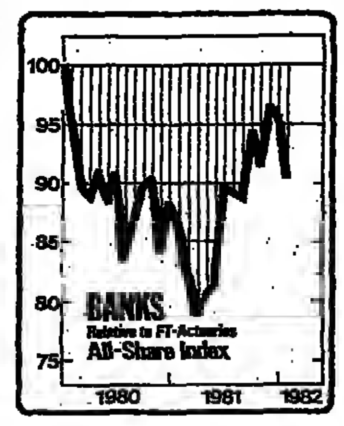
The competition may be quietly cursing Lloyds Bank after yesterday's preliminary statement. Not that profits are out of line with forecasts at £385.6m for the year—a rise of 33 per cent over 1980. The sting is in the final dividend. which has been pusbed up a third to produce a full year increase of a quarter. The general rise in clearing bank share prices yesterday suggested that pressure will be on the others to produce something similar.

On the face of it, Lloyd's decision looks a little odd. It can presumably afford to take a more relaxed view of its share price since the Monopolies Commission report reduced the risk of foreign bank takeovers and the increase is unlikely to impress the bank unions with which Lloyds is now negotiating. Retentions fell last year dne to a provision for the windfall profits tax, while group deposits were up by 40 per cent. So, even after a £135m property revaluation, the free equity ratio bas deteriorated slightly.

Lloyds must, bowever, have looked carefully at its impressive current earnings, which cover the dividend 3.2 times. The improvement in cover, during a year in which average base rates fell 3 points, debt provision charges remained at a very high level and the endowment effect of current accounts was eroded, is strong evidence of the defensive strengths of the Lloyd's operation.

The 1981 results are admittedly flattered by exchange rate movements and the second half consolidation of Lloyds and Scottish. The underlying improvement in pre-tax profits is probably closer to 20 per cent. Cost bave risen more slowly than net interest income, despite a slight narrowing in the average interest margin. Sterling advances have risen by 19 per cent, a figure which has not prevented Lloyds from bumping up its gilt-edged book from £332m to £500m. After a period of strong outperformance, the share price added another 16p yesterday to close at 486p, where the yield is 6.5 per cent.

Index rose 0.1 to 562.3



De Lorean

As the financial noose has tightened round the De Lorean sports car project in recent months, its founder Mr John De Lorean bas not been slow off tbe mark in apportioning blame for the difficulties. Violence at the Belfast site bas deterred the recruitment of good management, be has claimed, while delays by the UK Government bave killed opportunities for raisiog finance, notably the attempt to float off stock last year.

A more credible explanation for failure lies in the ambitious marketing assumptions on which the project has been based. The company planned to produce 20,000 cars in the first year, rising to an annual 30,000 subsequently. Sales this high would bave shot the model straight into second place in tbe high price sports car sector, after the Chevrolet Corvette, which sells for 25 per cent less. In the event sales on this scale have simply not materialised—nor is it convincing to blame the present recession for more than a portion of the shortfall.

De Lorean was over-optimistic on its financial projections as well. Instead of $90m, it cost something approaching $200m before cars began coming off the production line. This was due partly to the strength of sterling and partly to delays; even so it was no mean achievement to bring the project on stream within three years. Nevertheless, the haggles for additional working capital and bank guarantees helped to sour relations with a less interventionist government than the company's original Labour sponsors. Already by August the balance sheet was showing the strain, with net debt of tbe consolidated group, at $85.6m, more than 1½ times shareholders' funds. Since then the position has deteriorated.

The receivers of the Belfast car company owe £20.7m to the Government in loans, and a further £10m to banks guaranteed by the Government. The other main obligation is to suppliers—at about £30m. At the moment the receivers are functioning on a VAT refund of sometbing less than £1m. The plan is to see if it is possible to run a smaller operation, with an annual production rate of about 7,000 cars. But with no further government aid forthcoming, the company will be unable to proceed for long unless it receives $21m owed by the U.S. selling company. Tbis will depend on Bank of America unfreezing its "transit" facility next week. If that hurdle can be climbed, all will depend on bow things go in the spring selling season. Success could bring a buyer for the company. But the smell of financial failure may hit business in the showrooms.

Markets

The gilt-edged market has been leading equities for over a month now, and last week it outperformed strongly, moving ahead over the past three days while equities drifted. The FT 30-Share Index bas skipped eight points on the week at a time when interest rate expectations have been improving.

The sullen tone of Wall Street probably has something to do with this, as does the diversion of equity fund managers' cash into the Amersham offer for sale. But there bave also been signs—notably the very poor industrial production figures for December—that the recovery of the economy last summer and autumn has been faltering. The views of companies—including ICI—reporting their figures next week will be of great importance.

The U.S. credit markets have been juggling with the apparently conflicting (but to London, familiar enough) pulls of a very weak economy and a rapidly expanding money supply. After jumping last Tuesday, U.S. interest rates were easing ahead of the latest money figures, and if these are well received primes could soon be lower again.

The slippage of U.S. rates in the last few days bas taken the steam out of the dollar in the exchange markets, to the great relief of all the central banks. Sterling closed at 91.6 on its trade-weighted index for the third week running; this year so far its daily closing levels have varied only between 90.1 and 91.9. The idea that the authorities have a target band for the exchange rate is of course quite absurd.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.